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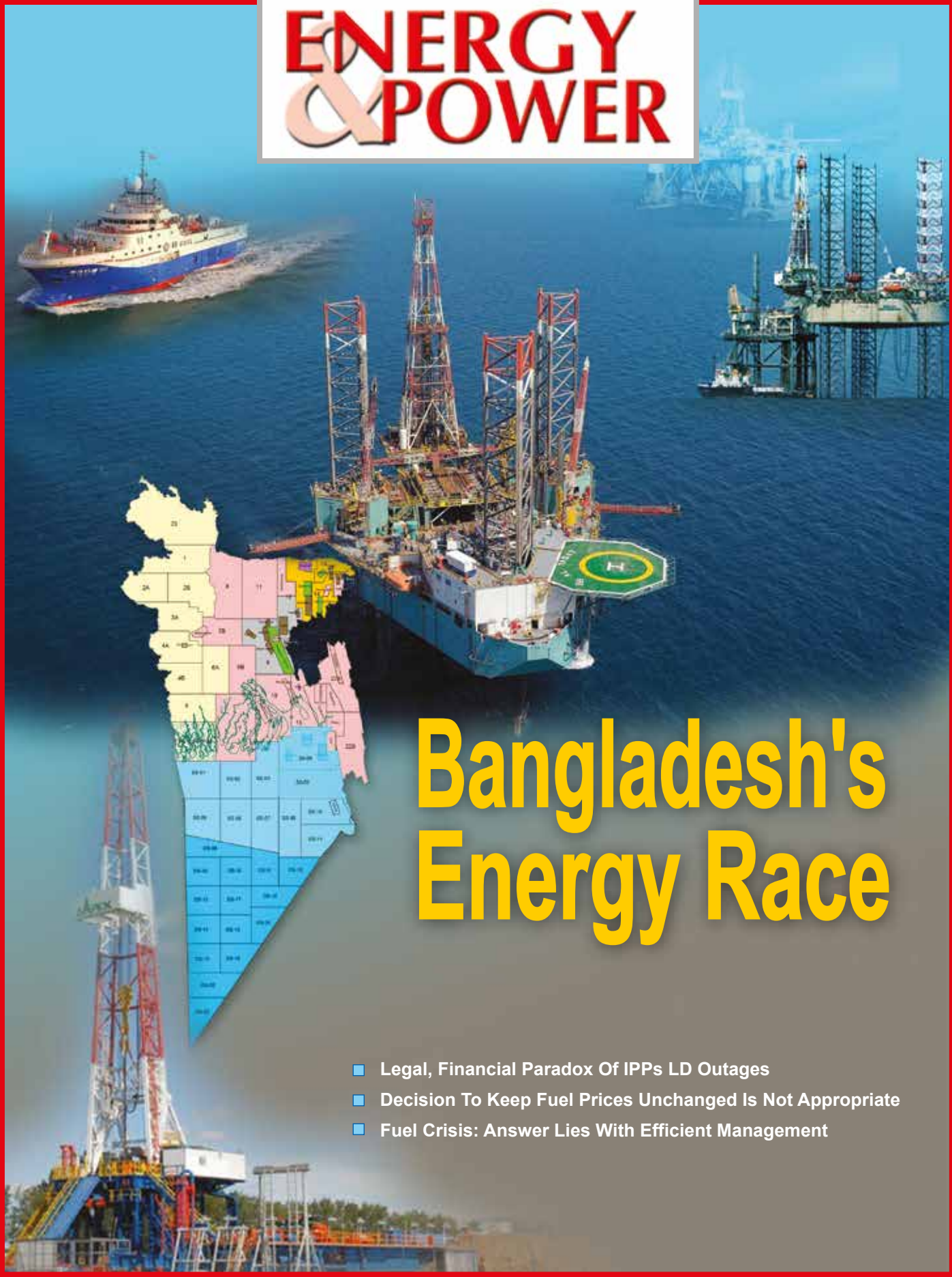
April 1, 2026

ENERGY & POWER



Bangladesh's Energy Race

- Legal, Financial Paradox Of IPPs LD Outages
- Decision To Keep Fuel Prices Unchanged Is Not Appropriate
- Fuel Crisis: Answer Lies With Efficient Management

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Upstream Development Fuel Procurement

- Upstream Investment **6 Projects**
- LNG Procurement from **15 Countries**
- LNG Fleet Carriers **22 carriers**

LNG Receiving & Storage Terminals

- LNG Tank Capacity in Japan **6.65 million kL**
- Equivalent to **Approx.30%** of LNG tank capacity in Japan
- LNG Receiving Terminals in Japan **11 terminals**

Domestic Power Generation

- Thermal Power Station **26 stations**
- Power Generation Capacity **Approx.61GW** Largest in Japan
- Power Generation Output **Approx.235 TWh**
  Equivalent to approx. 33% of power generation in Japan

Overseas Power Generation

- Number of projects **In more than 10 Countries**
  Approx. 30 Projects
- Power Generation Capacity **Approx.13.7GW**
  (Output Corresponding to Equity)
- Renewables Development Capacity **Approx.3.5 GW**
  (Included in the Power Generation Capacity)

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To provide cutting edge solutions to the wo ld's energy issues

2035 Vision
Clean energy platform of renewables and low greenhouse gas thermal power

Goal: Zero CO_2 Emissions 2050

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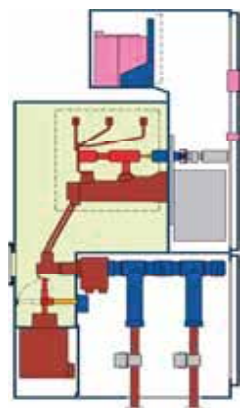
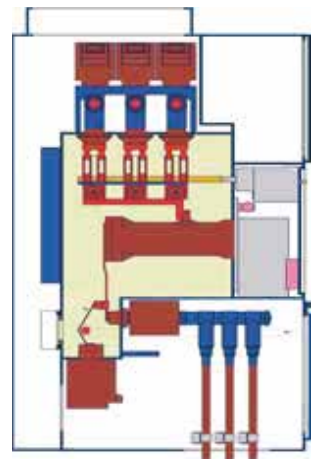
ZX0



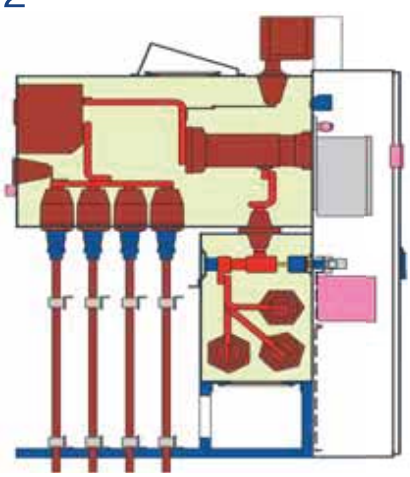
... 24 kV / 1250 A / 25 kA

ZX0.2



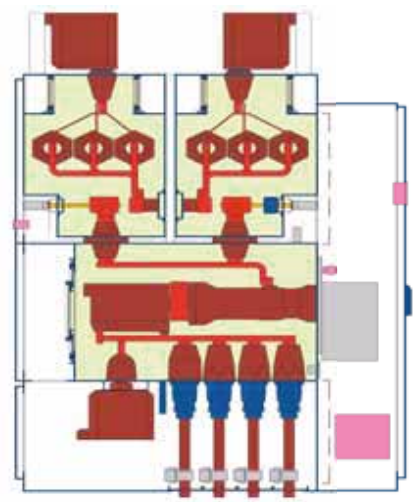
... 36 kV / 2500 A / 31.5 kA

ZX1.2



... 40.5 kV / 2500 A / 31.5 kA

ZX2



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Dhaka-1000, Bangladesh
Tel & Fax : 88-02-58314532
Email: ep@dhaka.net
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Price
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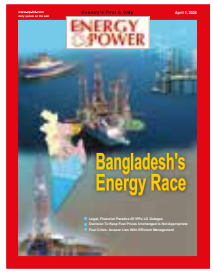
45

Keeping fuel prices unchanged despite mounting losses is becoming increasingly difficult to justify. The government is reportedly losing around Tk 167 crore per day from fuel sales. With more than 35 years of experience financing power and energy sector entities at home and abroad, this kind of prolonged loss is unlikely to be sustainable... Mamun Rashid tells EP



ENERGY & POWER

EDITORIAL

Bangladesh stands at a critical crossroads in its energy journey. The ongoing global crisis has not created new vulnerabilities—it has simply exposed long-standing weaknesses that have been ignored for too long. Heavy dependence on imported fuel, slow progress in domestic exploration, and bureaucratic delays have left the country dangerously exposed to external shocks. The government's renewed focus on attracting foreign investment in oil and gas exploration is a step in the right direction. Updating Production Sharing Contracts and prioritizing bidding rounds signal intent. But intent alone is not enough. The real test lies in execution—something Bangladesh has historically struggled with in the energy sector. One of the most pressing concerns is time. Traditional bidding processes that take two years or more are no longer viable in a fast-changing global energy market. By the time contracts are signed, economic conditions often shift, making projects less attractive or even unfeasible. Faster, more flexible approaches—such as negotiated deals or streamlined international bidding—must be seriously considered. Equally important is the need to rethink policy rigidity. Keeping promising exploration blocks reserved while seeking foreign investment sends mixed signals to investors. A more pragmatic approach—allowing joint ventures with national entities like BAPEX—could unlock both capital and technical expertise.

Ultimately, Bangladesh must recognize that energy security is not just an economic issue—it is a national priority. Without decisive action to boost domestic exploration and reduce import dependence, the country risks deeper economic instability in the years ahead.

highlights

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One of the most pressing concerns remains the growing mismatch between energy demand and domestic supply. Bangladesh's economy continues to expand, and with it, energy consumption. Yet domestic gas production has not kept pace. This gap has increasingly been filled by imported LNG, exposing the country to global price volatility and supply uncertainties..... More in Special Article

COVER

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The escalating conflict involving the United States, Israel, and Iran is sending shockwaves through global energy markets, and countries like Bangladesh are feeling the strain. As oil prices climb and gas supplies tighten, the situation is exposing just how vulnerable Bangladesh remains to external shocks. The pressure is mounting on policymakers to respond quickly and decisively.

Published by the Editor from 187 Elephant Road (Raj Complex), Dhaka 1205
& Printed at Ananda Printers, 166 Arambagh, Dhaka 1000, Bangladesh

Green page

Encouraged by the readers and patrons, the EP would continue bringing out Green Pages to contribute to the country's efforts in its journey towards climate-friendly energy.

Contents

Contents

IEA Urges Work-from-Home, Less Flying to Ease Energy Price Surge

The International Energy Agency (IEA) has recommended that governments, businesses, and households adopt measures such as working from home and avoiding air travel to help ease the burden of soaring energy prices caused by the US-Israeli war with Iran.

The conflict, which began on Feb 28, has sharply driven up global energy costs, raising inflation concerns worldwide. Brent crude has surged to around US$120 per barrel from about US$70 before the war, while natural gas prices have more than doubled.

In addition to these demand-side measures, the IEA highlighted other suggestions, including lowering highway speed limits by at least 10 km/h and using alternative transport where possible.

"We have recently launched the largest-ever release of IEA emergency oil stocks, and I am in close contact with governments globally, including major energy producers and consumers, as part of our international energy diplomacy," IEA Executive Director Fatih Birol said.

Australia Cuts Fuel Reserve Rules as Minister Warns Against Price Gouging

Australia's Energy Minister Chris Bowen has warned fuel retailers against "dangerous" price gouging as petrol prices surge due to panic buying triggered by the conflict in the Middle East.

To increase supply, the government announced a 20 percent reduction in the country's Minimum Stockholding Obligation for petrol and diesel.

The move could release up to 762 million liters of fuel from Australia's domestic reserves to ease shortages in affected regions.

Bowen urged citizens to avoid panic purchasing and buy only the fuel they need, stressing that selling fuel at inflated prices is "un-Australian" and harmful to the public.

Fuel Prices Rise in India Amid Middle East Tensions

Fuel prices in India increased recently, with premium petrol and industrial diesel becoming more expensive due to ongoing conflicts in the Middle East.

According to oil marketing companies, the price of premium petrol went up by about 2.30 Indian rupees per liter, while industrial diesel saw a much bigger jump of around 22 rupees per liter.

The rise in fuel costs is linked to instability in the Middle East, which has been affecting global oil markets and supply.

Higher industrial diesel prices are expected to impact key sectors such as manufacturing, transport and power generation. This could lead to higher production and delivery costs, and eventually push up the prices of everyday goods, local media reported.

However, the government downplayed the increase in premium petrol prices, saying it would have limited impact as only a small portion — around 2 to 4 percent — of consumers use this type of fuel.

Eni to Develop Major Deep Water Gas Hubs in Indonesia

Eni SPA has committed to developing deep water gas hubs in Indonesia, with FIDs for the South and North Hubs, including subsea infrastructure and a new FPSO, targeting start-up in 2028.

With the sanctioning of the Gendalo, Gandang, Geng North, and Gehem fields, Eni is set to deliver up to 2 bscfd of gas and 90,000 b/d of condensate at plateau.

Eni SPA will develop deep water gas hubs in Indonesia. The operator has taken final investment decisions (FIDs) for the Gendalo and Gandang gas project (South Hub) and for the Geng North and Gehem fields (North Hub) offshore East Kalimantan.

Gendalo and Gandang development includes drilling seven producing wells and installing deep-water subsea production systems tied back to the Jangkrik floating production unit (FPU). The development lies in in 1,000–1,800 m of water.

Bangladesh Inks IAEA Deal Ahead of RNPP fuel loading

Bangladesh is set to mark a major milestone in its energy sector, as fuel loading at the Rooppur nuclear power plant is scheduled to begin on April 7, 2026.

In preparation for the fuel loading, the Bangladesh government signed its fifth Country Program Framework (CPF) with the International Atomic Energy Agency (IAEA) on March 18 in Vienna, Austria.

Md Anwar Hossain, secretary to the Ministry of Science and Technology, signed the deal on behalf of Bangladesh, while Hua Liu, IAEA deputy director general and head of the Department of Technical Cooperation, signed for the agency.

The agreement, covering the period 2026–2032, is aimed at ensuring the peaceful and secure use of nuclear technology.

Jet Fuel Price Surges by Tk 89.59 Per Liter in Bangladesh

The price of jet fuel in Bangladesh has been increased by Tk 89.59 per liter, according to a new announcement by the Bangladesh Energy Regulatory Commission.

Following the hike, jet fuel prices for domestic routes have risen from Tk 112.41 to Tk 202 per liter. For international routes, the price has been increased from 73.84 cents to $1.32 per liter.

BERC said the adjustment was made to align local prices with the international market. This marks the second price increase in March, after an earlier hike on March 8. A separate attempt to raise prices on March 18 was briefly announced but later suspended within minutes.

Cabinet Body Approves Purchase of Two LNG Cargoes from Spot Market

A government committee has recommended approval of a proposal to procure two spot Liquefied Natural Gas (LNG) cargoes, as Bangladesh continues to grapple with mounting pressure on its energy supply amid global market volatility.

The proposal, placed by the Energy and Mineral Resources Division, seeks to import two LNG cargoes under the Public Procurement Rules 2025 through an international quotation process from the spot market.

According to official sources, the cargoes are scheduled for delivery on April 24–25 (10th cargo) and April 27–28 (11th cargo).

Both cargoes are proposed to be purchased from TotalEnergies Gas and Power Limited of the United Kingdom at a quoted price of US$19.77 per MMBtu. Each cargo will cost more than Tk 833 crore each.

The Purchase Committee meeting has taken the move that took place at the Secretariat with Finance Minister Amir Khorsu Mahmud Chowdhury in the chair.

Dhaka-Moscow Talks Focus on Energy Cooperation Amid Global Crisis

Russian Ambassador Alexander Khozin held talks with Foreign Secretary Asad Alam Siam in Dhaka recently, focusing on bilateral cooperation and the ongoing global energy situation. The discussions covered Bangladesh–Russia collaboration, including engagement at the United Nations, and developments in the Middle East linked to the US-Israeli military actions involving Iran.

The Russian side also highlighted support for Bangladesh in addressing the current global fuel and energy crisis, according to the embassy. Meanwhile, Prime Minister's adviser Rashed Al Mahmud Titumir said the government will present a midterm energy security roadmap in the upcoming national budget, alongside a clear investment plan. He emphasized that Bangladesh is taking steps to manage supply challenges and stressed the importance of diversifying energy sources to ensure long-term energy security.

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Info Minister Calls for Industrial Master Plan Using Bhola Gas

Information and Broadcasting Minister Zahir Uddin Swapan has emphasized the need to develop a comprehensive industrial master plan for Bangladesh's southern region by utilizing the vast natural gas reserves discovered in Bhola.

Speaking at an iftar and prayer event organized by the Barishal Division Journalists Association at the Dhaka Reporters Unity recently, he stressed the importance of strategic planning to ensure proper use of this resource.

"This valuable resource should be used effectively to expand industrialization in the region, and skilled and thoughtful individuals must come forward with ideas," the minister said.

He noted that the significant gas reserves in Bhola could serve as the foundation for a coordinated, industry-based development plan across the southern region.

Encouraging journalists, he said they could contribute by compiling data and preparing a conceptual development proposal to help guide policymakers.

Bangladesh Orders Shops to Turn Off Exterior Lighting to Save Energy

The government of Bangladesh has decided to switch off exterior lighting at shopping malls and retail establishments as part of intensified energy-saving measures amid rising global fuel prices and supply uncertainties linked to the Middle East conflict.

The decision was taken during a meeting held recently by the Ministry of Power, Energy and Mineral Resources with business leaders, according to an official statement.

The meeting, chaired by State Minister for Power and Energy Anindya Islam Amit, focused on strategies to reduce electricity and fuel consumption.

Under the new directives, all shopping malls and business establishments across the country must keep their exterior decorative lighting switched off. In addition, the temperature of air-conditioning systems in these facilities cannot be set below 25 degrees Celsius.

Bangladesh May Seek IMF, WB Funding to Secure Energy Supply

The government of Bangladesh will ensure adequate funding to maintain the country's energy security and may seek financial assistance from international institutions if necessary, Prime Minister's Economic and Planning Adviser Dr. Rashed Al Mahmud Titumir said.

Speaking to journalists at his office in the Ministry of Finance at the Secretariat on March 15, Titumir said the government is considering approaching global lenders such as the International Monetary Fund and the World Bank to finance fuel imports if required.

He emphasized that ensuring energy security is a top priority for the government under the current global situation. If needed, the government will seek funding from international development partners to cover the cost of importing fuel.

"We will try to secure support from any available source for financing fuel imports—whether from the IMF, the Asian Development Bank, or the World Bank," he said, adding that the goal is to obtain financing at the lowest possible interest rate.

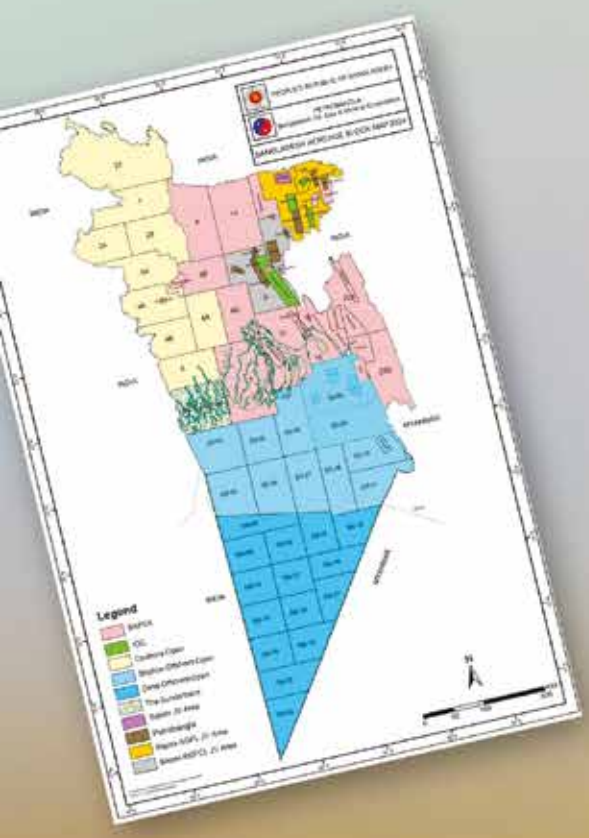
Fuel Rationing Withdrawn, Normal Supply Resumes at Filling Stations

The government has withdrawn the rationing system for fuel sales, allowing filling stations across the country to resume normal operations.

State Minister for Power, Energy and Mineral Resources Aninda Islam Amit announced the decision at a press conference at the Secretariat recently.

However, he warned that strict action will be taken against anyone attempting to stockpile fuel taking advantage of the situation.

The state minister said the government had earlier taken several measures, including introducing rationing in fuel distribution, to address supply disruptions caused by the Middle East conflict. "Several imported oil-carrying vessels have already reached Chattogram Port," he said.



Bangladesh's Energy Race

Mollah Amzad Hossain

The global energy crisis triggered by the US–Israel–Iran conflict has exposed Bangladesh's heavy dependence on imported fuel, as rising oil and gas prices strain supply and finances. In response, the government has prioritized attracting foreign investment in oil and gas exploration under a 180-day action plan. Revised Production Sharing Contracts aim to improve investor appeal, but delays, structural inefficiencies, and limited exploration progress remain major challenges. Experts stress urgent reforms, faster bidding processes, and expanded exploration to reduce the country's growing energy deficit.

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The escalating conflict involving the United States, Israel, and Iran is sending shockwaves through global energy markets, and countries like Bangladesh are feeling the strain. As oil prices climb and gas supplies tighten, the situation is exposing just how vulnerable Bangladesh remains to external shocks. The pressure is mounting on policymakers to respond quickly and decisively.

In response, the government has moved to put oil and gas exploration at the top of its immediate agenda. Reducing reliance on imports is now a pressing priority, and attracting foreign investment is seen as key to achieving that goal. A 180-day action plan is already in motion, aimed at speeding up reforms, clearing long-pending approvals, and restarting bidding rounds to unlock both onshore and offshore energy resources.

Meanwhile, the broader global picture continues to deteriorate. In just 25 days of conflict, nearly 40 energy facilities across the Middle East have reportedly been damaged. Iran's move to halt shipping through the Strait of Hormuz has further unsettled markets, creating a major bottleneck in global energy flows. The result has been a sharp spike in prices, with oil rising to around $110 per barrel and gas markets also tightening significantly.

The International Energy Agency (IEA) has described the situation as more severe than the oil shocks of the 1970s, warning of potentially far-reaching consequences for the global economy.

Bangladesh is already feeling the impact. The country is struggling to maintain its energy supply while coping with rising import costs. Around 75% of its LNG imports depend on Qatar, but disruptions linked to the war, including damage to the Ras Laffan facility, have led Qatar to declare force majeure and suspend long-term gas supply contracts until at least mid-April, with a possible extension.

In this context, the Energy Division has begun preparations to invite bids to attract foreign investment in oil and gas exploration. Alongside ongoing domestic exploration efforts, new initiatives aim to bring in international investors. This time, simultaneous bidding for both onshore and offshore exploration under Production Sharing Contracts (PSCs) has been prioritized in Petrobangla's 100-day plan and the government's 180-day agenda.

The International Energy Agency (IEA) has described the situation as more severe than the oil shocks of the 1970s, warning of potentially far-reaching consequences for the global economy.

However, the three districts of the Chattogram Hill Tracts are again being excluded from this initiative. Officials say this is due to a lack of approval from the Ministry of Chattogram Hill Tracts Affairs, which has delayed finalizing a PSC draft for the region. Nevertheless, it is believed that the issue can be resolved quickly, and Petrobangla has already completed its preparations.

According to Petrobangla sources, Bangladesh has a total of 48 oil and gas exploration blocks—22 onshore and 26 offshore. Of the onshore blocks, only 9 are currently open, while the remaining 13 have been allocated to BAPEX, including 2 in the hill tracts. Offshore, 15 blocks are in deep waters and 11 in shallow waters—all of which are open for bidding.

An official noted that relying only on open onshore blocks will not yield success, as they are relatively risky and less promising. To attract investment, blocks allocated to BAPEX and reserved structures must also be included in the bidding process.

Currently, Chevron produces gas from three onshore blocks. While Chevron has relinquished other areas, it has expressed renewed interest in working in some of those regions under a new PSC and is continuing negotiations with Petrobangla. Meanwhile, India's ONGC recently withdrew from shallow offshore exploration under a PSC. Although oil and gas bidding has been prioritized under the government's 180-day plan, the PSC documents have not yet been approved by the cabinet.

After the failure of the 2024 bidding round, Petrobangla updated the offshore PSC and finalized a draft PSC for onshore exploration, submitting both to the Energy Division. Although these were submitted during the interim government period, work on them has only recently resumed. Legal queries raised by the Ministry of Law have been addressed, and the final drafts of the two model PSCs are now with the Energy Division. Once political approval is secured, they will be sent to the cabinet for final approval.

State Minister for Power, Energy and Mineral Resources, Anindya Islam Amit, said: "We will complete the necessary preparations and invite tenders within our 180-day action plan. There is no alternative to increasing domestic gas supply through both local and foreign investment. We are continuously working on this."

Key Changes in the New PSC Draft

According to Energy Division and Petrobangla sources, several significant changes have been made in the revised model offshore PSC:

- In the 2024 PSC, gas prices were set at 10% of Brent crude for both deep and shallow offshore.

INTERNATIONAL OIL COMPANIES (IOCS) UNDER PSCS IN BANGLADESH

Contract Signed with	Year signed	Block	Exploratory wells	Discovery	Comment
1974					
Union Oil (Unocal)	PSC 1974	Offshore	1	1 gas field	Relinquished in 1978
Atlantic Richfield (ARCO)	PSC 1974	Offshore	1	none	Relinquished in 1978
BODC (Nippon Oil)	PSC 1974	Offshore	3	none	Relinquished in 1978
Ina Napthaplin	PSC 1974	Offshore	2	none	Relinquished in 1978
Ashland Oil	PSC 1974	Offshore	none	none	Relinquished in 1978
Canadian Superior (CSO)	PSC 1974	Offshore	none	none	Relinquished in 1978
1982					
Shell Oil	1986	22 & 23 onshore	2	0	Relinquished in 1991
Scimitar Exploration	1987	13 onshore	2	Jalalabad gas field	Scimitar left in 1991 as the PSC was signed for oil only
1993					
Cairn Energy/ Holland Sea Search	1994	15 & 16 Onshore & offshore	5	Sangu gas field	In 2000 Shell took over the shares from Cairn & again transferred back to Cairn in 2004. Currently Black 15 & 16 is relinquished.
Occidental	1995	12, 13 & 14 onshore	4	Moulavibazar and Bibiyana gas fields	Unocal took over 100% share from Occidental in 1999. Unocal transferred its share to Chevron in 2005.
United Meridian Inc.	1995	22 onshore	none	none	Ocean Energy took over the block in 2000 and relinquished in 2004.
Rexwood - Okland	1997	17 & 18 offshore	1	none	Transferred major share of Rexwood - Okland to Tullow E&P in 1999. Total E&P of France has then took over 60% share and operatorship of this block, Relinquished in 2010.
1997					
Shell & Cairn	2001	5 & 10 onshore	none	none	Shell handed over its share to Cairn in 2004. Relinquished in 2010.
Unocal	2001	7 onshore	1	none	Unocal transferred its share to Chevron in 2005. Reliquished in 2011.
Tullow and Chevron-Texaco	2001	9 onshore	3	Bangora-Lalmai gas field	Chevron/Texaco handed over its share to Niko Resources in 2003. Currently Operated by Tullow.
2008					
ConocoPhillips	2011	DS-08-10 & DS-08-11 Offshore	None	None	Completed initial 2D survey. Data being processed.
2012					
Santos Sangu Field Limite, Kris Energy & BAPEX	2014 2014	SS-11	None None	None None	Relinquished in 2020
ONGC Videsh Limited, Oil India Limited & BAPEX	2014	SS-04 & SS-09	1 None	None	Ongoing Exploration Phase
2017 (Special Provision Act)					
POSCO DAEWOO	2017	DS-12	None	None	Relinquished in 2021

The Companies active during 1974-78 offshore phase were Unocal, ARCO, BODC, Ina Naftaplin, Ashland and Canadian Superior. later activities under onshore PSC saw companies like Shell, Scimitar, Occidental, UMC, Rexwood-Okland, Cairn operating in different blocks. Currently active companies, throught block award and subsequent transfers include Chevron, Tullow and ONGC Videsh Limited. In addition, the national Exploration and Production company BAPEX is carrying on its own exploration program in Bangladesh onshore.

- In the revised draft:
  - Deep offshore gas price: 11% of Brent crude
  - Shallow offshore gas price: 10.5% of Brent crude
- Floor and ceiling prices have been set at $70 and $100 per barrel, based on the five-year average Brent crude price, with provisions for adjustment every five years.

Previously, while pipeline investment costs could be recovered, there was no provision for profit. The new draft introduces a wheeling charge, allowing companies to earn returns on pipeline investments. This charge will be determined when gas purchase and sales agreements are signed between IOCs and Petrobangla.

Onshore PSC Adjustments

The onshore (plain land) PSC draft has also been revised:

- Earlier (2019 PSC), gas prices were linked to high-sulfur fuel oil benchmarks.
- In the new draft, gas prices will be set at 8% of Brent crude.
- Floor and ceiling prices remain $70 and $100 per barrel (based on five-year averages).
- Cost recovery limits have been increased from 55% to 70%.

Overall, while the government is moving to accelerate oil and gas exploration and attract foreign investment, delays in PSC approval and structural challenges in the bidding process remain key obstacles.

Petrobangla has not yet finalized a separate draft Production Sharing Contract (PSC) for the Chattogram Hill Tracts, but it has already determined the pricing structure. Under the proposed framework, the gas price will be set at 8.5% of Brent crude oil. This higher pricing is considered necessary because international oil companies (IOCs) will be required to pay royalties to district councils in the three hill districts for resource extraction. The additional gas price will allow the contracted companies to adjust and cover these costs.

Recently, the government reduced

the Workers' Participation Fund for company profits—from 5% to 1.5%—for IOCs. This change has been incorporated into both draft PSCs.

According to Petrobangla, after no bids were submitted in 2025, the government contacted individual companies to identify the reasons. Based on their feedback, revisions were made to the PSC drafts. However, companies had also complained that the cost of multi-client survey data and Petrobangla's data packages was too high. A decision is now required from the Energy Division to make these prices more competitive and affordable.

Another key issue is whether only open blocks will be offered for bidding onshore, or whether blocks already allocated to BAPEX will also be included. Clear guidance from the Energy Division is needed.

Furthermore, a final decision must be made on whether to invite tenders for Blocks 22A and 22B in the Chattogram Hill Tracts. If approved, three promising structures—Patiya, Jaldi, and Sitapahar—will need to be opened for exploration. Officials believe that if PSCs can be signed for these hill tract blocks, there is strong potential for quick success.

When asked about opening BAPEX-held blocks and reserved structures, former Managing Director Murtaza Ahmed Faruque said that no response will come from investors if all promising blocks are reserved exclusively for BAPEX. He emphasized that all 22 onshore blocks should be brought under bidding.

He suggested that BAPEX could still be allowed to participate jointly with the winning bidders. At a time when large-scale exploration is urgently needed, reserving blocks solely for BAPEX is not a viable option. However, ongoing projects under domestic investment should continue.

He also noted that issues related to the Chattogram Hill Tracts should be resolved before inviting bids, but reserving key structures exclusively for BAPEX would likely discourage investor interest.

Highlighting the government's priority to attract foreign investment in oil and gas exploration, the Energy Division Secretary told journalists that work is ongoing to finalize and approve the two draft model PSCs. Once approved, tenders will be invited under the 180-day action plan, with both the Energy Division and Petrobangla preparing for the process.

Commenting on the government's initiative, Professor Dr. Ijaz Hossain, former dean of BUET, said that the lack of response in the last offshore bidding round was due to investor distrust in the interim government and limitations within the PSC framework.

He added that with an elected government now in place, investor confidence has improved. Therefore, the PSCs should be updated, approved, and bidding launched as quickly as possible. With the gas deficit increasing, there is no alternative to accelerating exploration efforts.

Bangladesh is currently heavily dependent on imported energy and electricity, with import dependency reaching about 56% and rising over time. Last year, the country spent approximately $13.2 billion on energy and power imports, along with an additional $7 billion for debt servicing (including interest) in the sector—bringing total expenditure to $20.2 billion.

It was projected that this cost could rise to $24 billion this year. However, due to war-driven increases in global energy prices, the actual cost may be significantly higher. In particular, LNG imports cost about $800 million last year, but this could double or even triple. Fuel oil imports, which cost $4.8 billion, may also increase if market instability continues. To manage the additional burden, the government has already begun discussions with development partners to secure at least $2 billion in loans.

Reducing import dependence is therefore one of the biggest challenges at present. Experts emphasize that there is no alternative to rapidly increasing investment in domestic gas and coal exploration and production. At the same time, urgent steps must be taken to expand renewable energy.

Historically, Bangladesh has prioritized domestic resource development during global energy crises. During the global oil shocks of the 1970s, Bangladesh became the first country in the region to begin offshore oil and gas exploration in the Bay of Bengal. Following the Indonesian model, PSCs were introduced to attract foreign investment, and five PSCs were signed for offshore oil exploration. However, after failing to find oil, the IOCs withdrew.

At that time, efforts were also made to increase domestic gas production, despite objections from Royal Dutch Shell. The newly independent country acquired five gas fields, which are still in production today and remain a major source of energy supply.

During this period, Sheikh Mujibur Rahman initiated policies for developing domestic coal resources. These efforts were later advanced under President Ziaur Rahman and continued until 1980. However, after Hussain Muhammad Ershad came to power in 1982, the momentum for domestic energy exploration and development lost priority.

Following the mass uprising of the 1990s, Hussain Muhammad Ershad was removed from power. The Bangladesh Nationalist Party (BNP) won the subsequent election and formed the government. The party's chairperson, the late Khaleda Zia, assumed office as Prime Minister.

At the outset, her government focused on ensuring the use of domestic resources to meet energy demand. Initiatives were taken to begin coal extraction in collaboration with a Chinese state-owned company. Due to the lack of domestic capacity, efforts were also made to attract foreign investment in oil and gas exploration.

To accelerate the process, alternative approaches were considered to shorten the time required for signing Production Sharing Contracts (PSCs). A model PSC was finalized, under which investment was sought for oil and gas exploration, both onshore and in the Bay of Bengal. As part of this effort, the Houston bidding round was launched

in 1993, attracting major international oil companies (IOCs).

Based on interest and priority, PSCs were signed through negotiations. This became one of the most successful PSC initiatives in Bangladesh's history, as it led to the discovery of the Sangu gas field offshore (now depleted). Onshore, the Jalalabad gas field was developed, while Occidental Petroleum and later Unocal Corporation discovered the Moulvibazar and Bibiyana gas fields. Together, these three fields have supplied more than 60% of the country's total gas production to date.

Under PSCs signed during that period, exploration was also conducted in the Chattogram Hill Tracts, where several promising structures were identified. However, the company involved later withdrew without making further investments.

In subsequent years—1988, 1997, 2012, and 2018—several PSCs were signed. However, after exploration, international companies either failed to achieve major discoveries or lost interest due to low gas prices.

Most recently, in 2024, a tender was invited under a newly formulated offshore PSC, but no company participated. After reviewing the reasons behind the lack of response, the offshore PSC has been updated again. The Model Offshore PSC 2026 and the Model Onshore (plain land) PSC are now awaiting final approval.

According to the Energy Division, once these drafts are approved by the cabinet, tenders will be invited under a 180-day action plan.

However, a key challenge remains: international oil companies interested in investing in Bangladesh have expressed dissatisfaction with the lengthy tender process. They have raised this issue in multiple meetings with Petrobangla.

Before the 2024 bidding round, ExxonMobil submitted an unsolicited proposal expressing interest in working in 15 deep offshore blocks in the Bay of Bengal. The proposal was not accepted.

EXPLORATION SUCCESS

Phase	Number of Exploration Wells	Discovery	Success Ration	Exploration basis
I (1910-1933)	6	None; minor oil flowed at Patharia-2	zero	Surface Geology
II (1951-1971)	22	8 Gas fields	2.8:1	Seismic and other early geophysical methods Digital 2D/3D Seismic
III (1972-Present)	69	21 Gas fields & 2 Oil pools	3.3:1	
Total	97	29 Gas fields including 2 oil pools and 2 offshore discoveries	3.4:1	

It is reported that an ExxonMobil delegation is scheduled to meet with Petrobangla at the end of this March, and they may again express interest in those blocks.

Former and current officials of the Energy Division and Petrobangla told Energy & Power (on condition of anonymity) that the entire process—from tender invitation to proposal submission, evaluation, contract signing, and project commencement—takes at least two years.

As a result, changes in global and domestic energy prices, demand, and market conditions often render initial bids impractical. Even after signing contracts, companies face challenges, sometimes seeking renegotiation or withdrawing due to altered financial realities.

They emphasized that reducing this timeline is crucial for attracting investment. Two senior officials suggested that adopting the 1993 model—through Houston and London bidding meetings—could enable investor selection and PSC signing within 9 to 12 months, allowing exploration work to begin much faster.

When asked about the issue, State Minister Anindya Islam Amit said the current government is also keen to accelerate oil and gas exploration. "We want Bangladesh to become self-sufficient in meeting its energy demand with domestic gas within the tenure of this government. LNG import pressure should decrease. If adopting the 1993 model helps select investors and sign contracts more quickly, the government will certainly consider it," he said.

Speaking on the matter, Professor M Tamim, Vice-Chancellor of Independent University Bangladesh, said attracting foreign investment in oil and gas exploration is essential but has long been neglected. He praised the initiative to finalize updated offshore and onshore PSCs as a medium- and long-term solution. However, he noted that selecting investors through competitive bidding is time-consuming. He suggested that PSCs could also be signed through negotiations on a "first-come, first-served" basis, provided transparency is ensured.

Badrul Imam, honorary professor at the University of Dhaka, said attracting foreign investment for exploration in both offshore and onshore areas has been delayed. While he welcomed the government's prioritization of the issue under its 180-day plan, he acknowledged that the bidding process is time-consuming. He added that inviting IOCs to bidding meetings and selecting investors on the spot could help accelerate gas discoveries, though transparency and competition must be maintained.

Former Managing Director of BAPEX, Murtaza Ahmed Faruque, said it would be difficult to attract bidders, especially for deep offshore blocks. He suggested packaging at least five blocks together (out of 15) to make them more attractive. Based on proposals from interested companies, PSCs could then be finalized through negotiations, saving time and improving outcomes.

Former Petrobangla Director Md Quamruzzaman noted that exploration

activities have been largely neglected over the past decade. He emphasized that the government must act immediately to attract foreign investment in offshore exploration, with the biggest challenge being to begin field-level operations quickly.

Chairman of Business Initiative for Development, Abul Kasem Khan, said that local entrepreneurs should be given opportunities to invest alongside foreign companies under PSC frameworks. This, he argued, would help develop domestic capacity in oil and gas exploration, similar to progress made in the power generation sector.

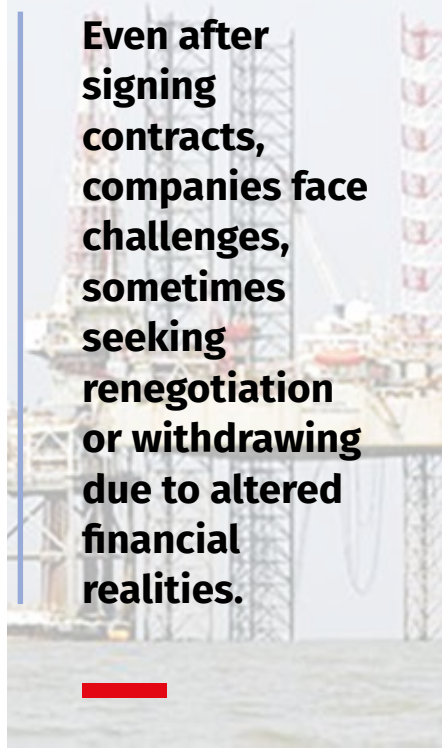
Among hydrocarbon-prospective countries, Bangladesh has conducted one of the smallest amounts of exploration. Since exploration began in this land in 1910, only about 100 exploratory wells have been drilled to date. During this period, around 160 development wells have been completed. These efforts have resulted in the discovery of approximately 28 trillion cubic feet (TCF) of gas. Of this, about 21 TCF has already been consumed, while the remaining reserve stands at around 8 TCF.

Of the total gas discoveries in Bangladesh, about 90% have been made by foreign companies, while only 10% has been discovered by Petrobangla and BAPEX. In contrast, in India's Tripura state alone, 61 exploratory wells have been drilled out of a total of 225 wells for oil and gas exploration.

Over the past 20 years, oil and gas exploration has been one of the most neglected sectors in the country. In 2022, a plan was finally taken to drill 50 wells through domestic initiatives, with a target of completion by 2025. This was expected to add 648 MMCFD (million cubic feet per day) of new gas supply.

However, so far only 25 wells have been drilled. These have produced about 254 MMCFD of new gas, of which 193 MMCFD has been added to the national grid.

There are now plans to drill another 100 wells, to be carried out by BAPEX, Petrobangla, and contractors appointed by various companies. Initially, the project was expected to be completed by 2028, but it is now projected to finish by 2030. However, there are doubts about whether this target will be achieved. A significant portion of this investment has focused on the off-grid island of Bhola, making it essential to connect the island to the national grid through pipelines to realize the benefits.



Even after signing contracts, companies face challenges, sometimes seeking renegotiation or withdrawing due to altered financial realities.

Currently, considering a national gas demand of about 4,200 MMCFD, domestic production stands at around 1,700 MMCFD, and LNG contributes about 1,000 MMCFD, bringing total supply capacity to approximately 2,700 MMCFD. This leaves a deficit of about 1,500 MMCFD.

Therefore, there is no alternative to increasing domestic exploration to address the shortfall. Experts suggest that drilling 40 to 50 exploratory wells annually would be the most effective solution at present. This would allow Bangladesh to confirm new domestic gas reserves within the next 5–7 years, which is crucial for future energy planning.

The current government is optimistic about achieving success in oil and gas exploration within its five-year term. To realize this goal, it must accelerate investor selection and contract signing—either through the conventional tender process or by organizing international bidding round meetings abroad and selecting investors under approved Production Sharing Contracts (PSCs).

Under the traditional tender process, it takes around two years to begin field-level work. However, experts believe that by following the 1993 bidding round model or adopting alternative approaches, contracts could be finalized within 9 to 12 months, enabling exploration work to begin much sooner.

While there is a possibility of achieving results in onshore exploration within the current government's tenure, offshore outcomes will require a longer timeframe.

International energy analysts believe that the current global energy crisis triggered by war will exert more pressure than even the impacts of COVID-19 or the Russia-Ukraine War. Countries like Bangladesh are expected to face particularly severe consequences.

Therefore, alongside crisis management, there is no alternative to rapidly attracting foreign investment for domestic oil and gas exploration. To achieve this, all onshore and offshore blocks should be opened to foreign investors.

To attract international oil companies (IOCs), data package prices should be reduced to more affordable levels. Onshore PSCs could be structured to allow joint participation between foreign companies and BAPEX, while also creating opportunities for domestic private sector participation. Bangladesh could follow successful international examples by giving priority to such joint ventures in awarding exploration contracts.

There is a strong expectation that the Bangladesh Nationalist Party (BNP) government, elected with a large public mandate, will prioritize attracting foreign investment in oil and gas exploration to ensure energy security and reduce import dependence.

For this, there is no alternative to taking immediate action. EP

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Energy Crisis Deepens, Urgent Reforms Needed Now

Saleque Sufi

The failure of the interim government over the past 18 months has deepened the crisis in Bangladesh's power and energy sector, leaving the newly installed government to confront immediate and complex challenges. Managing rising electricity demand amid severe fuel supply constraints and limited financial resources will be its first major test.

The irrigation season has begun alongside Ramadan in March, while temperatures are steadily rising. As a result, electricity demand is increasing with each passing day. The government's most pressing challenge will be to manage demand from March through October. This summer may not be as mild as in 2025, with forecasts indicating possible heatwaves across the country in 2026. Power demand could climb to as high as 18,000 MW. Although installed capacity on paper suggests no shortage, the real challenge lies in fuel supply shortages, gas constraints, and foreign currency limitations for importing coal, LNG, and liquid fuels. Under current conditions, the system cannot ensure even 16,500 MW of reliable generation. Gas supply, combining domestic production and imported LNG, stands at about 2,600 MMCFD against demand of 4,000 MMCFD. There is no quick fix, and the new government has a daunting task ahead.

Past 18 Months in Retrospect

The interim government took some positive steps, including scrapping the non-transparent Speedy Supply of Power and Energy (Special Provision) Act and restoring the authority of the Bangladesh Energy Regulatory Commission (BERC) in determining fuel and electricity prices. However, beyond these measures, it failed to implement meaningful reforms in the power and energy sector.

The sector remains largely controlled by an underperforming bureaucracy, with entrenched interests continuing to hinder progress. The recent nationwide LPG supply crisis is a clear example of systemic weaknesses. Although the government initially made progress in clearing large outstanding payments to power and fuel suppliers, arrears have since accumulated again.

Over the past 18 months, little progress has been made in improving fuel supply. Domestic gas production has declined further, while there has been no meaningful advancement in coal utilization or engagement with international oil companies for onshore and offshore exploration. Key infrastructure projects, including a third floating storage and regasification unit (FSRU) and a land-based LNG terminal, have seen frustrating delays.

Policy decisions have also had unintended consequences. Changes in the Rooppur Nuclear Power Plant project have significantly delayed its completion, while the cancellation of Summit Group's third FSRU project has reduced the prospects of adding 500 MMCFD of regasified LNG supply by 2027. The government also failed to decide on evacuating gas from Bhola Island to the national grid.

Despite repeated discussions on energy transition and renewable development, tangible progress has been minimal. Allegations of corruption in the sector, highlighted in a government-commissioned white paper, have not been substantiated through concrete actions. Claims regarding irregularities in the Rooppur project also remain unproven, while policy shifts have strained relations with international partners and disrupted project execution. Additional setbacks, such as the fire at Hazrat Shahjalal International Airport that damaged critical equipment, have further delayed progress.

Challenges of the Incumbent Government

The new government faces an immediate and demanding situation. Power demand in early March is expected to hover between 15,000 and 15,500 MW, rising to between 16,000 and 18,000 MW from mid-April to mid-October. Under current conditions, the system may face a deficit of 1,500–2,000 MW on average.

While the Bangladesh Power Development Board (BPDB) has plans in place, success will depend heavily on fuel availability. Petrobangla must ensure a steady gas supply of around 1,200 MMCFD to support 8,500–9,000 MW of gas-based generation during peak demand. Efficient plants such as Meghnaghat and Sirajganj should be prioritized, while older facilities at Ashuganj, Ghorashal, and Bibiyana should remain operational for grid stability.

All imported coal-fired plants must operate at full capacity, particularly in the southern and southeastern regions, ensuring a base load of 14,000–15,000 MW. During peak periods, around 3,000 MW from liquid fuel-based plants should be available. Power imports could contribute 2,000–2,500 MW. The timely commissioning of the first unit of the Rooppur Nuclear Power Plant would have significantly eased pressure on the system.

However, real-world operations are unlikely to be smooth. Mechanical faults, fuel supply disruptions, and financial constraints will complicate system management. Load-shedding and demand-side management measures, including conservation and efficient use of electricity, will be necessary. Although Ramadan will end before peak summer, efforts to reduce non-essential consumption, such as excessive lighting, should continue.

Recommendation

Given the importance of the sector, the government should appoint a senior full-time minister for power and energy, supported by two state ministers. This would allow for more focused and effective decision-making.

A comprehensive contingency plan is essential. The government should prioritize commissioning the first unit of the Rooppur Nuclear Power Plant (1,200 MW) by June 2026 and the second unit by March 2027. At the same time, incentives should be introduced to ensure at least 2,000 MW of rooftop solar capacity by the end of 2026.

Domestic gas exploration must be accelerated. The BAPEX 50-well project should be completed by 2026, with plans to expand to 100 wells by 2028. The stalled third FSRU project should be reviewed and, if feasible, revived. Extensive 2D and 3D seismic surveys should be conducted across the country to identify new resources, followed by sustained exploration efforts involving both BAPEX and international companies.

Updated production-sharing contracts (PSCs) for onshore and offshore exploration must be approved, with new bidding rounds launched by mid-2026. The government should also fast-track the construction of the Bhola–Barishal–Khulna gas transmission pipeline.

The draft Integrated Gas and Power System Master Plan should be refined with expert input to better reflect Bangladesh's needs and implemented accordingly. While pursuing renewable energy, Bangladesh should adopt a pragmatic approach to energy transition, focusing on energy security and affordability. Expanding electric vehicle adoption could help reduce dependence on imported fuels.

Ultimately, achieving sustainable energy security—ensuring reliable and affordable power for all—must be the central objective. The sector must operate with transparency, accountability, and professional management, free from undue influence. BERC should function independently as the primary regulatory authority, ensuring compliance with policies and regulations.

The government should present clear short, medium-, and long-term plans for the power and energy sector within its first 180 days. Finally, Bangladesh must reconsider the development of its domestic coal resources using modern, environmentally responsible technologies, as leaving these resources untapped is increasingly difficult to justify in the face of a growing energy crisis. EP

Saleque Sufi, *Energy Analyst*

From Distant War To Local Energy Crisis: Bangladesh Must Act Now

Dr. Muhammad Badrul Hasan

The latest escalation in the Middle East involving the United States, Israel, and Iran has once again demonstrated how quickly geopolitical conflicts can disrupt global energy markets. On February 28, the United States and Israel launched a coordinated attack on Iran, targeting key military and political leaders as well as strategic infrastructure. Iran responded by launching retaliatory strikes on U.S. military installations and diplomatic facilities across the Middle East. More critically, Tehran moved to close the Strait of Hormuz, one of the most vital maritime energy corridors in the world. The conflict has now continued for nearly two weeks, and its consequences are increasingly being felt across the global economy, particularly in energy markets.

The disruption of the Strait of Hormuz immediately triggered a shock in global oil and gas markets. Nearly 21 million barrels of oil, about one-fifth of global supply and roughly 20 percent of the world's LNG shipments pass through this narrow waterway every day. Once shipping activity slowed dramatically, energy supply chains across the world were affected. Global oil prices quickly surged from around $67 per barrel before the war to nearly $97, briefly crossing the $100 mark as markets reacted to supply uncertainty. According to several energy analysts, if the conflict continues or further escalates, oil prices could potentially climb to $150 per barrel, which would have far-reaching consequences for the global economy.

However, the disruption of the Strait of Hormuz is not the only factor threatening global energy security. The war has also intensified risks to energy infrastructure across the Gulf region. Iranian drone and missile attacks targeting energy facilities in countries such as Saudi Arabia, Qatar, and the United Arab Emirates have temporarily halted operations in several oil refineries, LNG plants, and export terminals. These attacks have interrupted refining activities and reduced LNG export capacity, adding further pressure to already strained global gas markets.

At the same time, several major oil-producing countries in the Gulf have reduced production or temporarily suspended exports as storage facilities fill up and shipping routes become increasingly uncertain. Major exporters such as Iraq and Kuwait have faced delays in shipping crude oil to international markets. At one stage, shipments of nearly 140 million barrels of oil were delayed, equivalent to approximately 1.4 days of global demand. These disruptions highlight how conflict in the Middle East can

rapidly tighten global supply and push prices upward.

Countries around the world have already begun responding to the crisis. Vietnam increased diesel and petrol prices by 21 percent, while Pakistan saw petrol prices rise by nearly 20 percent, reaching around 320 rupees per liter. Governments across Asia are now exploring alternative energy supply routes and increasing their fuel reserves to reduce the impact of supply disruptions. The Group of Seven finance ministers has also discussed the possibility of releasing emergency oil reserves to stabilize global markets.

The current situation also echoes the global energy shock triggered by the Russia–Ukraine War. That conflict severely disrupted natural gas supplies to Europe and caused a dramatic surge in LNG prices across global markets. As European countries competed aggressively for LNG cargoes, many developing economies, including Bangladesh, struggled to secure sufficient fuel supplies. The present conflict in the Middle East risks creating a similar situation, particularly if disruptions to LNG exports from the Gulf persist.

For energy-import-dependent countries, especially in Asia, the implications of this war are significant. Bangladesh, which relies heavily on imported fossil fuels and maintains limited strategic reserves, faces particular vulnerability. The ongoing conflict, therefore, not only threatens immediate fuel supply stability but also raises urgent questions about how Bangladesh should strengthen its long-term energy security strategy in an increasingly uncertain geopolitical environment.

Bangladesh's energy sector has become increasingly dependent on imported fossil fuels in recent years. Nearly 92 percent of the country's fuel oil requirements are imported, mostly from Middle Eastern producers such as Saudi Arabia and the United Arab Emirates. On the gas side, Bangladesh imports about five to six million tonnes of LNG annually, primarily from Qatar and Oman. Diesel plays a particularly critical role in the national economy. Approximately 70 percent of the fuel supplied by the Bangladesh Petroleum Corporation consists of diesel, which is widely used in agriculture, transportation, and industrial activities. As global diesel prices surged from $88 to around $146 per barrel following the outbreak of the war, Bangladesh faced the prospect of significantly higher import costs. Domestic refining capacity also remains limited. Eastern Refinery Limited supplies only a small portion of the country's diesel demand by refining crude oil imported mainly from Saudi Arabia and the United Arab Emirates. After the war began, supplies of crude oil to the refinery were temporarily disrupted. Current reserves can sustain refinery operations only until the middle of the coming month. Bangladesh also imports a large share of refined petroleum products from countries such as Singapore, China, Malaysia, Indonesia, Kuwait, Thailand, Oman, and India. The government has already begun exploring additional sources to avoid potential supply disruptions.

Impact on Key Sectors in Bangladesh

The energy crisis triggered by the conflict could significantly affect Bangladesh's industry, agriculture, transport, and remittance sector. Manufacturing industries, particularly textiles, garments, steel, cement, and fertilizer production, depend heavily on a stable electricity and gas supply. Bangladesh has an installed electricity generation capacity of more than 29,000 megawatts, yet the full capacity is rarely utilized due to gas shortages and maintenance issues. More than 6,000 megawatts of generation capacity remains unused because of insufficient gas supply. During peak demand, the effective generation capacity falls to around 18,600 megawatts.

When global fuel prices rise, the cost of LNG, furnace oil, and coal imports increases, leading to higher electricity generation costs. This often results in load-shedding, forcing factories to reduce production hours or temporarily shut down operations. Such disruptions can weaken Bangladesh's export competitiveness, particularly in the ready-made garment sector. At the same time, higher energy costs in global markets are increasing prices of basic goods in major consumer markets such as Europe, North America, and Australia. As households in those countries spend more on essentials, demand for non-essential products like garments may decline, potentially reducing export orders for Bangladesh.

Transportation is one of the sectors most immediately affected by fluctuations in fuel prices. In Bangladesh, diesel remains the primary fuel used by trucks, buses, and other commercial transport vehicles. When international diesel prices rise, domestic transportation costs increase accordingly. Higher fuel costs raise the expense of moving goods across the country, which in turn increases the prices of food products and other consumer commodities. As a result, both passenger transport and the distribution of essential goods become more expensive, contributing to broader inflationary pressure within the economy.

The ongoing energy crisis triggered by the Middle Eastern conflict has also begun to disrupt the country's domestic fuel distribution system. In recent days, long queues have been observed at CNG refueling stations in major cities

as drivers struggle to access sufficient gas supplies. Many vehicle owners are forced to wait for hours to refill their tanks, reflecting the mounting pressure on the country's already limited gas resources. In response, the government has introduced emergency fuel management measures to control demand and ensure a more balanced distribution of available fuel. Under the new policy, private vehicle owners are permitted to purchase only 10 liters of petrol or octane per day. Although this restriction is intended as a temporary measure to prevent shortages and panic buying, it has created considerable inconvenience for commuters, transport operators, and daily wage earners who depend heavily on road transport for their livelihoods. The situation illustrates how global energy shocks can quickly translate into everyday disruptions in an energy-import-dependent economy like Bangladesh, affecting mobility, economic activity, and the stability of supply systems.

Agriculture in Bangladesh is also highly dependent on diesel fuel, particularly for irrigation. According to the Department of Agricultural Extension, the country currently operates over 754 diesel-powered deep tube wells, more than 1,039,000 shallow tube wells, and about 184,000 low-lift pumps. Reports from rural areas indicate that diesel shortages have already begun affecting farmers. Many farmers must wait for long hours at filling stations, while some retailers are charging Tk 8–10 extra per liter due to limited supply. If the diesel shortage persists during critical irrigation periods, agricultural production could be affected. Reduced crop output would inevitably push up food prices and place additional pressure on the country's food security.

The energy crisis also has direct consequences for everyday life. Rising fuel prices increase transportation costs, which in turn raise the prices of essential commodities such as rice, vegetables, and consumer goods. Higher energy costs also raise production expenses for agricultural products, processed food, and manufactured items. As a result, households face higher living costs while wages remain relatively stagnant. For low- and middle-income families, this can significantly reduce purchasing power.

Rising fuel prices place additional pressure on Bangladesh's macroeconomic stability. As energy imports become more expensive, the country must spend more foreign currency, putting pressure on foreign exchange reserves. At the same time, energy-driven inflation increases the cost of living and can weaken economic growth. Bangladesh imports about 62 percent of its total energy demand, making the economy particularly vulnerable to global price shocks. The conflict may also indirectly affect remittance flows. A significant share of Bangladesh's remittances originates from migrant workers in the Middle-Eastern countries. If regional economies slow down due to prolonged conflict, employment opportunities for migrant workers could decline, potentially affecting remittance inflows over time.

The Way Forward: Lessons for Bangladesh

Although the Bangladesh government has already undertaken some immediate initiatives to tackle the energy crises, however, these are not adequate. The current crisis requires strengthening Bangladesh's energy security strategy through both short-term and long-term measures.

Bangladesh can take some initiatives in the short term

In the short term, Bangladesh must ensure an uninterrupted fuel supply. Diversifying import sources is essential. In addition to traditional Middle Eastern suppliers, Bangladesh should explore alternative suppliers such as India, China, Malaysia, Indonesia, and even African producers, including Nigeria.

The government should also ensure smooth financing for fuel imports. State-owned banks and foreign financial institutions that open letters of credit for fuel purchases must be supported with adequate foreign currency liquidity.

Managing domestic fuel prices carefully is another priority. Bangladesh Petroleum Corporation recorded profits of about Tk 4,700 crore in the fiscal year 2024-25, which may allow the government to temporarily absorb part of the price increase rather than immediately passing the full burden onto consumers.

Bangladesh can take some initiatives in the long term

In the long term, Bangladesh must adopt a more resilient energy strategy. One important step is building strategic fuel reserves capable of supporting the country during prolonged supply disruptions. Currently, Bangladesh maintains reserves sufficient for roughly 15–20 days of consumption, which may not be adequate during major geopolitical crises.

Expanding renewable energy is also essential. Solar-powered irrigation systems could significantly reduce diesel consumption in agriculture, while investments in rooftop solar and wind energy could diversify the national energy mix.

Bangladesh should also consider investing in overseas oil and gas fields to secure long-term energy supplies. Strategic participation in global energy infrastructure, such as LNG carriers and oil tankers, could further strengthen supply security.

Finally, encouraging private and foreign investment in energy infrastructure will be crucial for building a more resilient energy system.

One of the most important long-term strategies for strengthening energy security in Bangladesh is to accelerate domestic gas exploration and production. Bangladesh still possesses significant untapped natural gas potential both onshore and offshore, particularly in the Bay of Bengal region. Increasing exploration efforts through the national energy corporation Petrobangla and attracting international energy companies to participate in offshore bidding rounds could significantly improve the country's domestic gas supply in the long run. EP

Dr. Muhammad Badrul Hasan, *Associate Professor, Department of Political Science, University of Dhaka*

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BANGLADESH ENERGY ROADMAP 2026-2030

A Strategic Plan Confronts Supply, Reform Challenges

Mortuza Ahmad Faruque

A structured and phased gas production augmentation plan has been developed to increase national supply over the period from 2026 to 2030.

The newly elected Government of Bangladesh has formulated a comprehensive Five-Year Work Plan (2026-2030) aimed at restoring momentum in the energy and mineral resources sector, strengthening national energy security, and supporting sustained economic growth. The strategic roadmap places strong emphasis on accelerating domestic gas exploration, expanding LNG and fuel infrastructure, and advancing critical institutional and policy reforms. By prioritizing the timely finalization of production sharing contracts (PSCs), increasing drilling capacity, and modernizing refining, transmission, and distribution systems, the plan seeks to ensure a reliable and affordable energy supply while improving overall operational efficiency across the sector.

At the core of the plan is a phased and carefully sequenced approach to augmenting gas production. This includes a target to drill as many as 180 wells by 2028, alongside the launch of deep exploration initiatives to unlock untapped hydrocarbon potential. In parallel with upstream development, the government is prioritizing expansion of the national gas transmission network and the installation of major LNG infrastructure, including both floating storage and regasification units (FSRUs) and land-based terminals. The plan also incorporates modernization of the distribution segment through the large-scale rollout of smart prepaid gas meters and the integration of advanced SCADA systems to enable real-time monitoring and improved system management.

Beyond infrastructure expansion, the 2026-2030 period is expected to bring significant institutional restructuring. A key reform measure includes the division of Titas Gas Transmission and Distribution PLC into three separate entities to enhance governance, accountability, and operational efficiency. Similarly, the Bangladesh Petroleum Corporation (BPC) is set to

undergo restructuring to streamline its organizational framework. In addition, the government has outlined a phased Coal Development Plan for the Barapukuria coalfield and has committed to investing in research and development of alternative energy sources, including green hydrogen and geothermal energy. Taken together, these initiatives are designed to position Bangladesh to meet rising energy demand while gradually transitioning toward a more diversified and resilient energy mix.

Through these wide-ranging initiatives, the government aims to ensure a stable and affordable energy supply, enhance efficiency across the sector, and support the country's rapidly expanding economic activities, while laying the groundwork for a more secure and sustainable energy future.

Enhancement of Gas Production

To strengthen domestic gas supply, the government has undertaken an ambitious and multi-year drilling program. In 2023, drilling operations were planned for 50 wells, of which 25 wells have already been completed. These completed wells have added approximately 252 MMCF of gas per day to the system, with around 129 MMCF per day already connected to the national gas grid and contributing to supply.

Looking ahead, the government has set an even more ambitious target of drilling 100 wells by 2028. If successfully implemented, this program could potentially add up to 1,000 MMCF per day to the national gas supply system, significantly easing supply constraints. To support this expansion in exploration and production activities, plans are underway to procure two new drilling rigs for BAPEX, thereby strengthening its operational capacity. In addition, four deep exploration wells, each reaching depths of approximately 5,000 meters, are planned. These deep wells are expected to play a critical role in expanding Bangladesh's hydrocarbon exploration frontier and identifying new reserves.

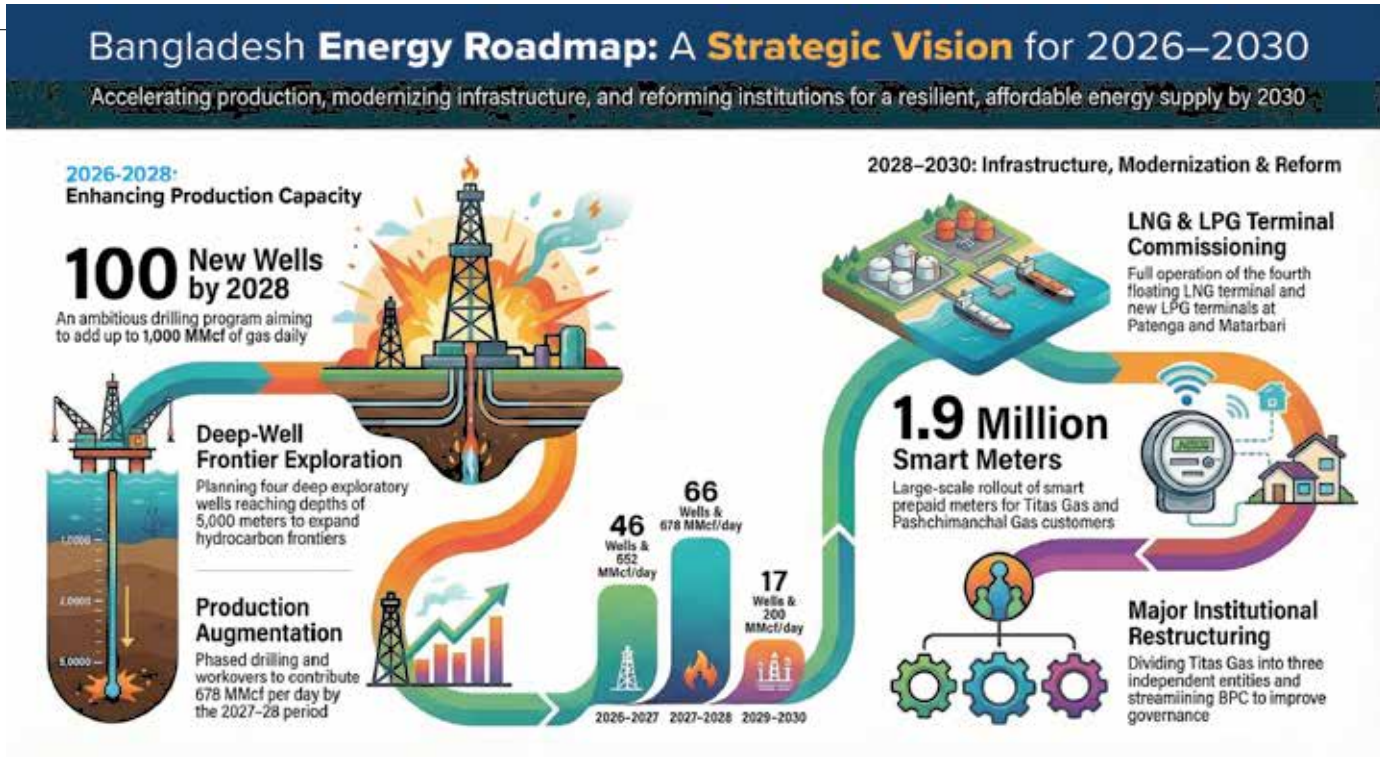
Gas Production Augmentation Program

A structured and phased gas production augmentation plan has been developed to increase national supply over the period from 2026 to 2030. Under the initial 180-day program, an additional 50 MMCF per day of gas will be added to the national grid. During this phase, detailed project proposals covering seven exploration wells, seven development wells, and two workovers will be prepared and submitted to the Planning Commission for approval.

During the 2026-2027 period, drilling activities will cover a total of 46 wells, including eight workovers, with the objective of adding approximately 652 MMCF per day to the grid. In the subsequent period of 2027-2028, drilling operations will expand further, with 66 wells—including 23 workovers—expected to contribute an additional 678 MMCF per day. Finally, between 2028 and 2030, drilling of 17 wells is projected to add around 200 MMCF per day to the national gas supply system. This phased approach reflects a steady and incremental strategy to close the supply-demand gap.

Oil and Gas Exploration under Production Sharing Contracts

The plan for oil and gas exploration under PSCs spans the period from 2026 to 2030. As part of the initial 100-day program, the government will finalize a model PSC applicable to both onshore and offshore exploration. This is expected to provide greater clarity and attract investment from international oil companies (IOCs).



In fiscal year 2026–27, bidding rounds will be invited for both onshore and offshore oil and gas exploration blocks. During 2027–28, contracts will be signed with selected IOCs. From 2028 to 2030, the government will maintain active monitoring to ensure that exploration activities progress according to schedule and that production commences within the timeframes stipulated in the PSC agreements. This structured timeline is intended to ensure accountability and timely development of resources.

LNG Infrastructure Development

To enhance energy supply stability, the government has launched a comprehensive LNG infrastructure development program. Under this plan, a fourth floating LNG terminal (FSRU) is proposed at Kutubjom in Maheshkhali. The project will undergo review during the initial phase, with agreements expected to be finalized during 2026–2027. Installation is planned for 2027–2028, with full commercial operation anticipated between 2028 and 2030.

In parallel, a land-based LNG terminal will be developed under a Public-Private Partnership (PPP) framework. Preparatory activities, including the appointment of a transaction adviser, preparation of tender documents, and updated feasibility studies, are expected to be completed by 2026–2027. Construction and commissioning of the terminal are projected for the 2028–2030 period. Additionally, proposals will be invited for another floating LNG terminal in the deep-sea region of southern Bangladesh, further strengthening the country's LNG import capacity.

Expansion of Gas Transmission Pipeline Network

The government has also initiated a major expansion of the gas transmission pipeline network to support both domestic production and imported LNG. During the initial 180-day period, an integrated plan will be adopted to connect gas resources from Bhola to the national grid while preparing infrastructure for future LNG imports.

Feasibility studies will be conducted for key pipeline routes, including Barisal–Aminbazar, Barisal–Khulna, and Barisal–Bhola. Between 2026 and 2027, the implementation framework for the Bhola–Barisal–Aminbazar pipeline will be finalized, and construction activities will begin. Installation will continue through 2027–2028, with the pipelines expected to be completed and commissioned during 2028–2030. This expansion is critical for improving supply distribution and regional connectivity.

Development of LPG Terminals at Patenga and Matarbari

The government has prioritized the development of LPG terminals at Kattoli in Patenga and at Matarbari in Cox's Bazar as part of its broader energy security strategy. These projects are intended to ensure a reliable LPG supply, diversify the national fuel mix, and reduce dependence on depleting natural gas reserves.

For the Patenga LPG terminal, a pre-feasibility study will be conducted and a memorandum of understanding (MoU) signed within the first 180 days. During this period, the implementation modality – whether government-to-government (G2G), PPP, or other models – will be determined. By 2026–27, land transfer will be facilitated, feasibility studies completed, and consultants appointed, followed by international tendering. In 2027–28, an EPC contract will be signed and the Front-End Engineering Design (FEED) approved. Construction of storage tanks, jetties, and pipelines will take place during 2028–2030, followed by commissioning.

A similar approach will be followed for the Matarbari LPG terminal. Initial studies and agreements will be completed within the first 180 days, followed by land development, dredging, tendering, and construction. The terminal is expected to be operational by 2030, significantly strengthening the country's LPG infrastructure.

Government Management of LPG Import

Under the initial 180-day plan, proposals from various institutions regarding LPG import and management will be reviewed, and implementation modalities will be determined. During FY2026–27, agreements will be signed and land acquisition for infrastructure development will be completed.

From FY2027 to FY2030, a structured system for LPG import and market management will be introduced, ensuring efficient supply, distribution, and regulatory oversight. This initiative aims to strengthen energy security while improving market discipline.

Smart Meter Installation and Digitalization

The government plans to modernize the gas distribution system through large-scale smart metering and digital monitoring. Under this initiative, smart prepaid gas meters will be installed for 1.75 million customers under Titas Gas, 128,000 customers under Pashchimanchal Gas Company Limited, and 50,000 customers under Jalalabad Gas.

In addition, SCADA systems across Petrobangla and its subsidiaries will be integrated to enable real-time monitoring, improve operational efficiency, and enhance overall system management.

Institutional Reforms in the Energy Sector

Institutional restructuring forms a key component of the reform agenda. The government plans to divide Titas Gas into three separate companies by 2030 to improve governance and efficiency. Similarly, BPC will be restructured to reduce the number of subsidiary companies from eight to five by 2026, streamlining operations and strengthening oversight.

Barapukuria Coal Mine Expansion Plan

The Barapukuria Coal Mine Expansion Plan has been structured as a phased roadmap. Within the first 180 days, techno-economic feasibility studies for open-pit mining will be initiated. These studies will continue through 2026-27, providing essential data for decision-making.

In 2027-28, feasibility studies will be completed, development projects formulated, and initial extraction activities launched. Based on these results, commercial production is expected to begin during 2028-2030, marking a transition to full-scale operations.

Alternative Energy

During the initial phase, feasibility studies will assess the viability of alternative energy sources. In 2026-27, research will focus on advanced technologies, including coal bed methane, underground coal gasification, coal-to-liquid conversion, and green hydrogen.

The outcomes of these studies will guide implementation, while private sector participation will be encouraged through investment opportunities.

Observations

The Five-Year Work Plan (2026-2030) sets out an ambitious and well-structured vision for Bangladesh's energy sector. On paper, it addresses many of the country's long-standing weaknesses – limited domestic exploration, infrastructure gaps, and institutional inefficiencies. But as with many plans before it, the real challenge will lie in execution. Delivering on such a wide-ranging agenda within tight timelines will require not only strong political commitment but also coordination across multiple agencies that have historically struggled to work in sync.

One of the most pressing concerns remains the growing mismatch between energy demand and domestic supply. Bangladesh's economy continues to expand, and with it, energy consumption. Yet domestic gas production has not kept pace. This gap has increasingly been filled by imported LNG, exposing the country to global price volatility and supply uncertainties. The current LNG import capacity, around 1,100 MMCFD, falls well short of what is needed. Without a significant and timely expansion, supply shortages are likely to persist, especially during peak demand periods.

The delays and cancellations of LNG infrastructure projects in recent years have compounded the problem. Large-scale projects such as land-based LNG terminals require long gestation periods, often five to seven years. Any hesitation or policy inconsistency today will translate into supply constraints several years down the line. This makes early decision-making and continuity in implementation particularly important.

In the upstream segment, attracting international oil companies has become more difficult. The global energy landscape is evolving, with companies becoming more selective about where they invest. Bangladesh, offering a limited number of offshore blocks under conventional bidding frameworks, may not appear sufficiently competitive. At the same time, domestic exploration efforts have yet to fully reflect the country's geological potential. Areas such as Chhatak remain underexplored despite indications of significant reserves.

Coal remains another unresolved issue. Bangladesh possesses sizable coal deposits, yet policy indecision has kept these resources largely untapped. The Phulbari coal project, for instance, has been under discussion for years without a clear outcome. This lack of direction creates uncertainty and limits the country's ability to diversify its energy mix and reduce reliance on imports.

Overall, while the plan is comprehensive, it highlights a familiar pattern: strong intent but persistent structural and policy constraints. Unless these

underlying issues are addressed, even the most well-designed roadmap may struggle to deliver its intended results.

Way Forward

Moving forward, the government's immediate priority should be to translate plans into action, particularly in the area of domestic gas exploration. Strengthening national institutions such as BAPEX and Petrobangla is essential – not just in terms of equipment, but also in building technical expertise and decision-making capacity. Faster drilling, better data, and more efficient project execution will be key to narrowing the supply gap.

At the same time, expanding LNG import capacity cannot be delayed. Given the long lead times involved, decisions taken today will determine supply conditions several years from now. Revisiting previously canceled or stalled LNG agreements could offer a quicker path forward, as renegotiating existing frameworks is often faster than starting from scratch. Ensuring that transmission and distribution networks are ready to handle increased imports will also be critical.

In offshore exploration, a more flexible approach may be necessary. Rather than relying solely on traditional bidding rounds, the government could consider direct negotiations with major international energy companies and offer a larger portfolio of blocks. This would make Bangladesh a more attractive destination for investment in a highly competitive global market.

There is also a need to move quickly on high-potential exploration areas. Conducting detailed seismic surveys in regions like Chhatak and following up with timely drilling could yield faster results than waiting for large-scale offshore developments. Small but early successes in such areas can help build momentum and confidence.

Perhaps most importantly, the government must take a clear and consistent position on coal. Whether the decision is to develop these resources or to move away from them, clarity is essential. If development is pursued, projects like Phulbari should be reviewed independently and implemented with modern, environmentally responsible technologies. If not, the country must plan accordingly for alternative sources to fill the gap.

In the broader context, Bangladesh will need a balanced energy strategy – one that combines domestic resource development, reliable imports, institutional reform, and gradual adoption of cleaner energy sources. Just as important as the strategy itself is the ability to maintain policy continuity and follow through on commitments. In the end, steady and disciplined implementation, rather than ambitious planning alone, will determine whether the country can achieve a more secure and sustainable energy future. EP

Mortuza Ahmad Faruque, *Energy Expert and Former Managing Director of BAPEX.*

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Legal, Financial Paradox Of IPPs LD Outages

A R Mohammad Parvez Mazumder

The operational landscape of the Independent Power Producers (IPPs) in Bangladesh is currently defined by a paradoxical relationship between contractual obligations and financial viability. As an almost 50 percent contributor to the nation's energy security, IPPs, particularly those operating Heavy Fuel Oil (HFO) based plants, have maintained a commitment to the national grid despite a growing liquidity crisis. Central to this crisis is the Bangladesh Power Development Board's (BPDB) significant delay in settling outstanding invoices. Reportedly, the arrears have now reached approximately Tk 14,000 crore for HFO-based producers. These payment delays often stretch between eight to ten months. The long wait has forced many producers into financial insolvency. As a result, the affected IPPs cannot open Letters of Credit (LC) to import fuel. Subsequently, those IPPs also cannot maintain the 'Availability Factor', required as per respective Power Purchase Agreements (PPAs).

The root of the legal dispute lies in the imposition of Liquidated Damages (LD) by the BPDB during periods of forced outages. The PPA provides a mechanism for the BPDB to penalize producers for the non-availability of electricity due to LD outages. Whereas, the IPPs argue and contend that these outages are a direct consequence of the BPDB's own material breach of contract- specifically, the failure to make timely payments. From a legal point of view, this brings Section 13.2(j) of the standard PPA into sharp attention. This clause entails that if the BPDB fails to settle undisputed invoices within a specific grace period, the producer's contractual obligation to deliver dependable capacity (power) is effectively suspended. Such a period of suspension necessitated by the buyer's (i.e., BPDB) default, the law advocates that the producer should remain entitled to Capacity Payments without being penalized by LD deductions.

The situation might even be complicated by looking at the role of the National Load Dispatch Center (NLDC). IPPs are worried about how the BPDB issues instructions to NLDC. When the plants

This clause entails that if the BPDB fails to settle undisputed invoices within a specific grace period, the producer's contractual obligation to deliver dependable capacity (power) is effectively suspended.

are already struggling to buy HFO due to not being paid, the BPDB may issue dispatch instructions anyway. Industry experts note this as 'imaginary demand'. The goal of these orders could be triggering Liquidated Damages (LD) penalties against the IPPs, and it would be unfair if it were true. This seems to be using the IPPs' financial struggles to artificially lower the debts. Such actions lead against the 'Take-or-Pay' model and make it much harder for the bankability of power projects to stay financially viable.

The legal instance followed in the case of the Barisal Electric Power Company Limited (BEPCL) offers a noteworthy roadmap for resolution. In this precedent, the BPDB ultimately recognized that deductions (Tk 270.7 crore for outages) made during a period (between May and October 2023) of payment default were inconsistent with the protections afforded under Section 13.2(j). This ultimately led to a reversal decision (by BPDB) of significant LD penalties of BEPCL. But the LD decisions are applied differently to local vs foreign power producers, which may create market instability and threaten future investment. It emphasizes the necessity for a harmonized legal interpretation for all IPPs that treats payment default as a 'force majeure-like' event.

To safeguard a sustainable Bangladesh power sector, the Government should ensure that the PPAs are followed strictly and fairly. The BPDB must cease the ongoing LD impositions for outages caused by its own lack of payment, linked to documented arrears. There should be an independent verification mechanism to ensure that dispatch demands are based on genuine systemic requirements. There should also be a transparent, non-discriminatory approach for both local and foreign power producers to keep the investment climate stable and prevent capital flight. Protecting the legal rights (Section 13.2(j), etc.) of IPPs is essential to preserve the integrity of the energy market and for the future of the energy sector. Clearer communication and timely payments will ensure that the national grid remains reliable for everyone. EP

Colonel (Retd) Engineer A R Mohammad Parvez Mazumder, *afwc, psc*

HARNESSING GRAVITY

A Sustainable Water Solution For The Hills

Engr. Md. Ashrafuzzaman Khan

In many remote hill communities in Bangladesh, access to safe, reliable water remains a daily struggle. Conventional water supply systems that depend on electricity, fuel, or mechanical pumping are often impractical in these areas due to difficult terrain and limited infrastructure. However, nature itself offers a powerful and sustainable alternative. By harnessing the natural force of gravity, communities can access water without using any external energy.

A small settlement of the Mro Indigenous community in Bandarban Sadar Upazila demonstrates how this approach works in practice. Located under Tongkaboti Union and about 1,700 feet above sea level, the para (cluster of a village) is home to 85 households with around 510 residents. The community lives across steep hills surrounded by forests, where access to basic services is limited.

Dependence on Traditional Water Sources

For generations, the residents depended on a nearby natural stream, locally known as a "chara", for their daily water needs. Women and girls walked long distances along narrow and steep hill paths carrying containers and traditional baskets to collect water for drinking, cooking, washing, and other household activities.

This daily task required several trips and often consumed several hours each day. The physical burden of carrying water uphill made the routine exhausting and sometimes risky, especially during the rainy season.

Environmental Changes and Water Scarcity

Over time, environmental changes began to affect the availability of water. Deforestation, the cutting of large "mother trees," increasing population, and shifting rainfall patterns gradually reduced the landscape's natural capacity to retain water. As a result, the once reliable chara began to dry up during the dry season.

During these months, women had to travel even farther to collect water, and the available sources were not always safe. Waterborne diseases became more common, underscoring the urgent need for a reliable, sustainable water supply solution.

Harnessing Gravity as a Natural Energy Source

To address this growing challenge, the Christian Commission for Development in Bangladesh (CCDB) supported the installation of a Gravity Flow System (GFS) in the community. The system collects water from a natural spring located about two kilometers away in the higher hills.

Through a network of pipelines stretching approximately 3,500 feet, water flows naturally from the higher elevation to the settlement using gravitational force. This simple principle allows water to move without pumps or external power sources.

The Gravity Flow System, therefore, operates entirely without electricity, fuel, or mechanical pumping, which makes it an energy-efficient and environmentally friendly solution for remote hill areas.

Reliable Water Supply without Electricity

The infrastructure includes three storage tanks, each with a capacity of 5,000 liters, strategically installed to ensure water distribution across different clusters of households. The stored water then flows through gravity pressure to households within the community.

Today, all 85 households have improved access to water close to their homes. The gravity-based system provides a reliable source of water for drinking, cooking, and other daily activities throughout the year.

By eliminating the need for energy-intensive pumping systems, the Gravity Flow System demonstrates how natural energy can be used effectively for essential services in remote regions.

Community Participation and Local Ownership

A key factor behind the success of the system was strong community participation. Residents voluntarily contributed labor during the installation process, carrying construction materials through steep hills, digging trenches for pipelines, and assisting in building the storage tanks.

To ensure long-term sustainability, the community has also created a small maintenance fund. Each household contributes 50 taka for repairs and equipment replacement. This approach has strengthened community ownership and responsibility for maintaining the system.

Reducing the Burden on Women

The benefits of the Gravity Flow System are particularly significant for women. Previously, women spent several hours each day collecting water from distant streams. Carrying heavy containers uphill required considerable physical effort.

With water now available close to their homes, women experience less physical hardship and greater safety. The time saved allows them to focus more on childcare, household activities, and small livelihood opportunities.

Safe Water for School Children

The local school in the para, which serves 108 students, now has access to safe drinking water from the Gravity Flow System. This ensures that children can drink clean water during school hours, improving health, hygiene, and the learning environment.

Improving Health and Hygiene

Reliable water access has also improved sanitation and hygiene practices within the community. Families can now maintain cleaner homes, wash regularly, and use safer water for drinking. As a result, the occurrence of waterborne diseases has declined.

Water Supporting Livelihood Opportunities

Beyond household use, overflow water from the storage tanks is being used productively. Some households use the excess water for small-scale irrigation in fruit gardens and for biofloc fish cultivation. These activities help improve food security and create small income opportunities.

Expanding Climate-Resilient Water Solutions

The initiative is part of a broader effort by CCDB to improve water access in remote hill areas. So far, 30 Gravity Flow Systems have been installed across Bandarban Sadar, Ruma, and Rowangchhari upazilas.

These systems demonstrate how simple technology and natural energy can address water scarcity while supporting climate adaptation in vulnerable communities.

A Model for Sustainable Development

The experience of this hill community shows that effective development solutions do not always require complex infrastructure or large energy inputs. By harnessing the natural power of gravity, communities can secure reliable water supplies without electricity while strengthening resilience to climate change.

As Bangladesh continues to pursue sustainable and low-carbon development pathways, gravity-based water systems offer a practical model for energy-efficient infrastructure in remote and climate-vulnerable regions. EP

Engr. Md. Ashrafuzzaman Khan, *Interim Coordinator - Resilience Building, Climate Change Program, Christian Commission for Development in Bangladesh (CCDB)*

Panic Buying, Disruptions Fuel Bangladesh's Energy Crisis

Saleque Sufi

Continued war and conflict across the Arab and Persian Gulf region have triggered major supply chain disruptions and sharp increases in primary fuel prices. This region remains the world's largest producer and exporter of crude oil, petroleum products, and liquefied natural gas (LNG). Around 20% of global primary fuel trade passes through the Strait of Hormuz, which has effectively been choked due to the conflict.

The war has also affected key energy infrastructure, including the South Pars gas field, the LNG hub at Ras Laffan, and oil installations in Bahrain, the UAE, Kuwait, and Saudi Arabia. Brent crude prices have surged past $110 per barrel. At the same time, the warring parties have threatened further attacks on energy, power, and water infrastructure. The disruption of shipping through the Strait of Hormuz has severely affected the transportation of fuel, fertilizer, and other essential commodities.

As a result, both energy and food security have become increasingly uncertain for import-dependent countries. Nations across South and Southeast Asia, including Bangladesh, have begun implementing contingency measures to cope with the crisis. However, panic buying by consumers and internal supply chain disruptions have worsened the situation in Bangladesh. Long queues at petrol stations have become common, with many consumers returning empty-handed as pumps run out of stock. Several stations have reported limited or irregular fuel supply from depots.

Government ministers and officials have repeatedly assured the public that adequate reserves are available and have urged restraint and conservation. However, these reassurances have had limited impact. Authorities have intensified monitoring across the supply chain, and some unscrupulous actors have been arrested. Pump owners, meanwhile, point to irregular depot supply during weekends and holidays, combined with a sudden surge in demand, as key drivers of the crisis.

Supply Chain Disruptions Deepen Crisis

Countries dependent on imported fuel have faced severe challenges since the outbreak of the conflict. The situation escalated after the United States and Israel reportedly targeted Iran's energy hub at Kharg Island and facilities in the South Pars gas field. Iran retaliated with missile strikes on petroleum and LNG infrastructure in Qatar, Saudi Arabia, the UAE, Bahrain, and Kuwait. As a result, production capacity across these facilities has been partially disrupted, driving up global prices of crude oil, refined products, and LNG.

Iran's move to regulate fuel and commodity transport through the Strait of Hormuz has further disrupted global supply chains. For countries like Bangladesh, the impact has been compounded by internal logistical challenges. With limited strategic reserves, Bangladesh has been forced to introduce fuel rationing measures.

The country's lack of a deep-sea port adds another layer of complexity. Crude oil and coal must be transported via lighter vessels after being offloaded from larger ships offshore. Ensuring adequate fuel supply for these lighter vessels has become increasingly difficult, further straining the supply chain.

Fuel rationing was introduced before the government could fully stabilize internal supply chain management, which contributed to panic buying. Opportunistic market players have also attempted to exploit the situation. While supplies of octane, petrol, and LNG remain relatively stable, the main concern lies with crude oil and diesel.

Some countries have already introduced measures such as remote work policies and vehicle restrictions based on license plate numbers. Bangladesh must now adopt pragmatic, transparent, and well-coordinated policies to manage both supply and demand effectively and prevent the crisis from deepening further.

Fuel Price in the Global Market

Prices on 29 March 2026

TYPE	PRICE IN US$
Western Texas Intermediary (WTI)	**99.64**
Brent	**112.60**
Murban	**117.20**
Natural Gas	**003.02**
Gasoline	**003.25**
Heating Oil	**004.49**
WTI Midland	**103.30**
OPEC Basket	**117.00**
Indian Basket	**157.00**

Iran initially announced that it would allow vessels carrying fuel for six friendly countries to pass through the Strait of Hormuz for a limited period. However, after a Pakistan-flagged ship transporting fuel for the United States reportedly attempted to transit the route, the decision was reversed, and the strait was effectively closed again.

There have been indications of possible dialogue between Iran and the United States, reportedly brokered by Pakistan, but a meaningful truce appears unlikely at this stage. Instead, fresh threats have emerged of further attacks on fuel, power, and water infrastructure.

With limited options, Bangladesh has begun sourcing liquid fuel and LNG from alternative suppliers in the spot market, significantly increasing subsidy requirements. The new government is currently in no position to raise fuel or electricity prices due to concerns over inflation. Even adjustments to jet fuel prices could affect air travel. However, it remains uncertain how long Bangladesh can continue to absorb these costs through subsidies. Sooner or later, fuel and electricity prices may need to be adjusted, which would likely trigger a broader increase in commodity prices and fuel inflationary pressures.

Conclusion

The conflict shows no immediate signs of ending. Access to fuel resources from the Arab and Gulf regions may remain constrained for an extended period. Bangladesh must therefore diversify its energy import sources and secure the financial capacity to procure fuel at higher prices. At the same time, it needs to manage its internal fuel supply chain more efficiently.

Jobs in the power and energy sector should be declared essential services to ensure uninterrupted operations. The domestic fuel supply chain must remain smooth and continuous, without disruptions due to holidays or logistical gaps. Strong administrative oversight is also necessary to prevent irregularities.

Equally important is public cooperation. Consumers must be encouraged to use fuel and electricity more responsibly. At the same time, the government must accelerate efforts to explore and develop domestic energy resources, alongside expanding renewable energy initiatives on a war footing. Managing the period from April to November 2026 will be a critical test for the country's energy security and economic stability. EP

Saleque Sufi, *Energy Analyst*

PM Holds Special Meeting on Fuel Situation, No Decision on Price Hike

No decision has been taken on rising fuel prices, Information and Broadcasting Minister Zahir Uddin Swapan has said.

While briefing the media on the activities of the government on 25 March, he added, "There is no shortage of fuel in the country, nor do we think we will face a shortage."

Swapan spoke with the media after a special meeting, chaired by Prime Minister Tarique Rahman, on measures to address the fuel situation in the country.

The meeting was held at the Prime Minister's Cabinet Division office in the Secretariat recently.

Swapan the minister and state minister for power, energy and mineral resources, on the direction of the prime minister, are handling the situation and have not given any directive to raise prices.

Even the prices in Bangladesh are lower than in neighbouring countries, he added.

QatarEnergy Moves on Supply Deals as Gulf Energy Disruptions Deepen

QatarEnergy has declared force majeure on some of its affected long-term liquified natural gas (LNG) supply contracts, with counterparties including customers in Italy, Belgium, South Korea and China.

The move comes amid production disruptions linked to the US-Israeli war on Iran, which has affected Qatar.

Global energy markets have been reeling since the United States and Israel began attacking Iran in late February.

Iranian missile and drone strikes across the Middle East, including most notably in the Gulf region, have targeted oil and gas facilities, prompting international condemnation.

The essential closure of the Strait of Hormuz, a critical Gulf waterway through which about one-fifth of the world's energy supplies transit, has also spurred mounting concern as energy prices have soared.

Dhaka, Delhi Discuss Ways to Strengthen Energy, Transport, Digital Connectivity

Bangladesh and India on March 16 discussed various aspects of economic cooperation including ways to strengthen energy, transport, and digital connectivity between the two countries.

The issues were discussed when Indian High Commissioner to Bangladesh Pranay Verma paid a courtesy call on Prime Minister's Adviser on Finance and Planning Ministries Prof Rashed Al Mahmud Titumir.

They also explored new areas for future collaboration in people-centric domains aligned with the respective developmental priorities of the two countries based on mutual interest and mutual benefit.

In his recent meeting with Finance and Planning Minister Amir Khosru Mahmud Chowdhury, the High Commissioner held wide-ranging discussions on issues of common interest to strengthen India-Bangladesh financial and economic cooperation.

Asia Pivots to Coal as Middle East Conflict Chokes LNG Supply

Asian utilities are boosting coal-fired power generation to cut costs and safeguard energy supply, industry officials say, as the US-Israeli war on Iran chokes liquefied natural gas (LNG) shipments and soaring prices threaten to suppress LNG demand.

Asia spot LNG prices have doubled to three-year highs in the second major supply shock in four years, as shipping through the Strait of Hormuz has all but stopped and No 2 global exporter Qatar has halted shipments.

In South Asia, Bangladesh is increasing coal power generation and coal-fired power imports in March, daily government data shows.

Pakistan, meanwhile, aims to further boost power generated from domestic sources after solar additions helped it avoid a repeat of the LNG supply volatility behind widespread outages following Russia's 2022 Ukraine invasion, Power Minister Awais Leghari said.

Bangladesh Seeks LNG Partnerships, New Terminal

Bangladesh is seeking long-term partnerships to diversify its energy-import sources and plans to establish a land-based liquefied natural gas (LNG) terminal to strengthen supply security, as geopolitical tensions threaten key global shipping routes.

Energy, Power and Mineral Resources Minister Iqbal Hassan Mahmood Tuku said disruptions in LNG shipments through the Strait of Hormuz have exposed vulnerabilities in Bangladesh's energy supply chain, prompting the government to accelerate efforts to secure alternative sources and attract fresh investment in the sector.

"We are seeking long-term partnerships for diversified sources to ensure a stable energy supply arrangement," he was quoted as saying at the inaugural Indo-Pacific Energy Security Ministerial and Business Forum in Tokyo on Sunday.

"A large share of Bangladesh's liquefied natural gas (LNG) imports passes through the Strait of Hormuz," the minister said, adding that current disruptions along this route pose a major threat to Bangladesh's energy security.

Bangladesh to Raise Fuel Imports by 25%: Energy Minister

The government has decided to increase fuel imports by 25 percent in the course of the current year to tackle potential supply disruptions caused by the ongoing conflict in the Middle East, Energy Minister Iqbal Hassan Mahmood said recently.

"Despite global concerns over fuel supply, there is no immediate crisis in Bangladesh. As a precautionary measure, the government has decided to raise fuel imports by 25 percent," Iqbal told reporters at his residence in Dhaka.

The minister said vessels carrying sufficient fuel supplies are arriving at ports, and the government is maintaining strict vigilance to ensure uninterrupted distribution across the country.

Highlighting the government's subsidy efforts, the minister said fuel is being purchased at higher prices from the spot market but sold to consumers at lower rates.

"The duration of the conflict remains uncertain, the government will continue providing subsidies for as long as possible, considering people's purchasing capacity," he added.

Aramco Offers Alternative Shipping Route

Saudi Arabian oil company Saudi Aramco has offered Bangladesh an alternative route to carry the stranded 100,000 tonnes of crude oil, avoiding the restricted Strait of Hormuz, say sources.

"Aramco intends to carry the stranded crude oil from the Ras Tanura port to Yanbu port through a 150km pipeline for shipment to Bangladesh via the shorter Red Sea to Bay of Bengal route," said a senior official of state-run Bangladesh Petroleum Corporation (BPC).

To carry the Saudi crude oil, Bangladesh would have to pay wheeling charge to the tune of around $0.53 per barrel, he said.

For carrying the entire 100,000 tonnes, the total wheeling charge would be around $400,000, he also said.

A Bangladesh-bound cargo vessel carrying around 100,000 tonnes of crude oil was now stranded at the Ras Tanura port after loading due to restrictions on the passage of vessels through the Strait of Hormuz, said the BPC official.

Member States to Release 400m Barrels from Oil Reserves: IEA

The International Energy Agency said recently its member countries would unlock 400 million barrels of oil from their reserves – the biggest such release ever – to ease the impact of the Middle East war.

"The oil market challenges we are facing are unprecedented in scale, therefore I am very glad that IEA member countries have responded with an emergency collective action of unprecedented size," IEA executive director Fatih Birol said in a statement.

The IEA says the emergency stocks will be made available to the market over a "timeframe that is appropriate to the national circumstances" of each member country.

It is the sixth time the IEA has approved a coordinated release of oil stocks, having previously done so in 1991, 2005, 2011, and twice in 2022, it says.

Post-Eid Fuel Rush Drains Stocks within Hours, Says Minister

A sharp surge in fuel demand following the Eid holidays has disrupted supply across Bangladesh, with petrol stations running out of daily stocks within just a few hours, according to Power, Energy and Mineral Resources Minister Iqbal Hassan Mahmood.

Speaking to reporters at the Secretariat in Dhaka recently, the first working day after Eid, the minister said fuel pumps that previously held enough stock for an entire day are now exhausting supplies within three hours due to a sudden spike in demand.

"Demand has risen so sharply that the usual supply cycle has broken down," he said, adding that the daily volume of fuel supply remains unchanged but the number of consumers has increased significantly.

The surge in demand, partly linked to concerns over the ongoing conflict involving Iran, has led to long queues at petrol stations across the capital.

ADNOC Gas Says has Made 'Operational Adjustments' Over Hormuz Disruption

ADNOC Gas, a subsidiary of the Abu Dhabi National Oil Company, said recently it had made "temporary operational adjustments" to production due to disruption in the Strait of Hormuz, while continuing operations despite Iranian strikes across the Gulf.

"Operations are continuing safely across ADNOC Gas plc's asset base. Following debris falling near certain facilities, inspections confirmed no injuries and no impact to core processing integrity," the company said in a disclosure to the Abu Dhabi Securities Exchange.

The firm said it had "made temporary operational adjustments to production of Liquefied Natural Gas and Export Traded Liquids", in response to ongoing shipping disruption in the Strait of Hormuz, which has been effectively blocked by Tehran.

"The Company is actively collaborating with customers and partners on a transaction-by-transaction basis to fulfill commitments wherever possible," it added.

Global Energy Crisis Surpasses 1970s Oil Shocks, Warns IEA Chief

The world is facing an energy crisis more severe than the oil shocks of the 1970s and the fallout from the Russia-Ukraine War combined, according to Fatih Birol, head of the International Energy Agency.

Speaking at the National Press Club in Canberra, Birol said the crisis triggered by the US-Israel conflict with Iran has created an unprecedented global energy shock.

"This crisis is effectively two oil crises and one gas crisis combined," he said, highlighting the scale of disruption to global supply. According to the IEA, the effective closure of the Strait of Hormuz—a key route for global energy shipments—along with attacks on energy infrastructure, has cut global oil supplies by around 11 million barrels per day, more than double the shortages experienced during the 1970s crises.

Liquefied natural gas (LNG) supplies have also been severely affected, falling by approximately 140 billion cubic meters, compared to a 75 BCM drop following the Ukraine war.

RNPP Expected to Connect to National Grid by June

Finance and Planning Minister Amir Khasru Mahmud Chowdhury has said that electricity from the Rooppur Nuclear Power Plant (RNPP) is expected to be connected to the national grid on a trial basis between June and July this year. He said the plant will officially begin the fuel loading process on April 7, marking a key step toward starting power generation.

According to the minister, one unit of the project is expected to reach its full capacity of about 1,200 megawatts by December.

The minister made the remarks while speaking to journalists after a meeting with Russian Ambassador to Bangladesh Alexander Khozin at the Planning Commission in Dhaka recently.

Emphasizing the urgency of addressing the country's energy shortage, he said it is crucial to bring the power plant into operation as soon as possible.

Readjust Multilayer Taxes on Fuel Imports

A prudent downward readjustment of multilayer import taxes on petroleum products is highly recommended by economists as an option to avoid the Mideast war-fueled hikes in fuel prices.

Another exigent remedy shown is a cut in BPC profit to skirt both tax lowering and price increase for consumer at this hour of income-sapping high inflation.

Global oil prices rose above $119 per barrel Monday--the sharpest increase since 2022--amid the expanding conflict involving the United States-Israel duo and Iran.

The tariff readjustment would help keep domestic fuel prices stable without hurting government revenue, economists suggest.

Some major decisions on energy security may emerge from a vital meeting discussion today (Wednesday", energy ministry officials have said.

Bangladesh Eyes $2.0b in Fresh Funds to Mitigate Fuel, LNG crisis

Bangladesh is seeking billions in external financing to secure fuel and liquefied natural gas imports, as the new government led by Prime Minister Tarique Rahman moves to stabilize the economy amid a worsening global energy outlook due to the Iran war.

The nation of 175 million relies on imports for about 56 percent of its energy needs, and state-run agencies have increasingly turned to the volatile market to plug the gap. The government has been rationing fuel, though the restrictions were eased for the Eid al-Fitr festival.

Rashed Al Mahmud Titumir, the prime minister's adviser on finance and planning, said on Friday that Dhaka was in talks with major development lenders — including the Asian Development Bank, the World Bank, the International Islamic Trade Finance Corporation and Asian Infrastructure Investment Bank — to mobilize fresh funding.

"There are positive indications that we'll receive funds from the multilateral agencies to support oil and energy, which will help accelerate economic growth," Titumir said.

US Crude Inventories Up 6.2m bbl: EIA

US crude oil inventories for the week ended Mar. 13, excluding the Strategic Petroleum Reserve, increased by 6.2 million bbl from the previous week, according to data from the US Energy Information Administration (EIA).

At 449.3 million bbl, US crude oil inventories are about 1% below the 5-year average for this time of year, the EIA report indicated.

EIA said total motor gasoline inventories decreased by 5.4 million bbl from last week and are 3% above the 5-year average for this time of year.

Latest distillate fuel inventories decreased by 2.5 million bbl and are about 3% below the 5-year average for this time of year. Propane-propylene inventories increased by 800,000 bbl from last week and are 57% above the 5-year average for this time of year, EIA said.

US crude oil refinery inputs averaged 16.2 million b/d for the week ended Mar. 13, which was 63,000 b/d more than the previous week's average. Refineries operated at 91.4% of operable capacity.

US, Japan Announce $40b Nuclear Power Project

The United States and Japan announced a $40 billion project to build nuclear reactors in Tennessee and Alabama, after a meeting of the two countries' leaders in Washington.

The talks between US President Donald Trump and Japanese Prime Minister Sanae Takaichi came after Tokyo agreed last year to invest $550 billion through 2029 as part of a new trade pact with Washington.

A joint statement on the so-called small modular reactors (SMRs) also announced a $33 billion investment in natural gas power generation facilities in Pennsylvania and Texas.

The countries announced the first tranche of projects under the new investment fund in February, with $36 billion in commitments in three infrastructure projects.

Green page

Akij Ceramics Launches 18.69 MW Rooftop Solar Plant with IDCOL Support

An 18.69 MWp rooftop solar power project financed by Infrastructure Development Company Limited (IDCOL) at Akij Ceramics Limited in Trishal was officially inaugurated recently, marking a significant milestone in Bangladesh's transition toward cleaner energy in the industrial sector. The inauguration ceremony was attended by Ulrich Kleppmann as the chief guest.

Other notable attendees included Michael Sumser-Hellstern of KfW Development Bank, Alamgir Morshed, Executive Director and CEO of IDCOL, and S. K. Bashir Uddin, Managing Director of Akij Bashir Group. The project has a total investment of BDT 101.47 crore, of which BDT 76.83 crore was financed by IDCOL.

Once fully operational, the solar facility is expected to generate around 19,500 MWh of clean electricity annually and reduce approximately 14,626 tonnes of carbon dioxide (CO_2) emissions each year. Currently, 10 MWp of the installed capacity is already connected to the national grid through the net-metering system.

Alamgir Morshed emphasized the growing interest from the private sector in adopting solar power. He noted that IDCOL has revised its target to finance 1,150 MWp of rooftop solar capacity by 2030.

Paramount Textile Bets on Solar for Long-Term Energy Security

Paramount Textile, a listed company, is set to install a 9.81-megawatt rooftop solar power plant at its factory premises to ensure sustainable business operations. The decision was taken at a meeting of the board of directors recently as part of efforts to support manufacturing with renewable energy amid global fuel supply disruptions triggered by the escalating Iran-Israel war.

The company will sign a Power Purchase Agreement (PPA) with Paramount Solar for the development of the solar facility at the company's factory premises at Sreepur in Gazipur, according to a stock exchange filing on Monday. Paramount Textile holds a 99.99 percent stake in Paramount Solar.

The board of Paramount Textile unanimously approved the proposal to sign the deal for the development, operation and management of the rooftop solar power project, the disclosure reads. The project will be implemented under the OPEX (operational expenditure) model, under which the solar developer will design, finance, construct, operate and maintain the plant.

Olympic Turns to Solar Power as Country Strides to Secure Energy Supply

Olympic Industries has announced plans to install rooftop solar power plants at three of its factories to support manufacturing with clean energy amid global fuel supply disruptions triggered by the escalating Iran-Israel war.

The branded biscuit manufacturer has signed an agreement with Solaric Ltd for engineering, procurement and construction (EPC) of a solar power system with an installed capacity of more than 1,000 kilowatt-peak (kWp) at its Madanpur, Kutubpur and Lolati factories.

The project cost is estimated at Tk 41.51 million, which will come from the company's own funds.

The board's decision to adopt solar power aims to reduce dependence on conventional grid electricity, cut carbon emissions and contribute to a cleaner energy mix, said company secretary Mintu Kumar Das.

Indian Industry Body Projects 346 GWh of BESS Capacity by 2033

India's cumulative installed battery energy storage system (BESS) capacity is projected to reach 346 GWh by 2033 from less than 1 GWh today, according to a white paper by the Indian Energy Storage Alliance (IESA) and Customized Energy Solutions (CES).

India's stationary energy storage market is expanding rapidly, with 69 new BESS tenders totaling 102 GWh launched over the past year – a 35% increase over 2024 and nearly double the annual tender volume – according to a white paper released at the recent Stationary Energy Storage India (SESI) 2026 conference.

Cumulative installed capacity currently stands at less than 1 GWh, with 92 GWh of projects now in the pipeline.

The report, prepared by IESA in partnership with CES, projects installed stationary storage capacity will reach 346 GWh by 2033 under a base scenario, rising to 544 GWh if policy momentum continues.

Pumped hydro energy storage (PHES) capacity is projected to grow from 7 GW in 2025 to 107 GW by 2033.

Global Solar Capacity to Reach 6 TW by 2031: GlobalData

GlobalData says global renewable capacity will more than double to 8.4 TW by 2031, with PV reaching nearly 6 TW, a 13% compound annual growth rate from 2025 levels of 4.1 TW.

GlobalData says global renewable capacity will more than double to 8.4 TW by 2031, with PV reaching nearly 6 TW, a 13% compound annual growth rate from 2025 levels of 4.1 TW.

The "Renewable Energy: Strategic Intelligence" report says solar has become the main driver of global renewable expansion due to falling costs and supportive energy transition policies.

PV generation reached 2,800 TWh in 2025, surpassing wind generation of 2,770 TWh.

In capacity terms, solar accounted for about 56.1% of global renewable capacity in 2025 with more than 2.5 TW installed. Wind represented 33.5% of total capacity, while bioenergy contributed around 5.3%.

The Asia-Pacific region led global deployment, with 699.5 GW of installed wind capacity and 1,550 GW of solar capacity in 2025. China generated about 1,150 TWh of solar electricity that year, representing around 41% of global PV output.

The United States and India followed China as major solar producers, generating 486 TWh and 189 TWh of PV electricity, respectively.

Greenpage

Reliance Industries, Samsung C&T Sign $3.0b Green Ammonia Supply Deal

Reliance Industries has signed a 15-year green ammonia supply agreement with Samsung C&T Corp., marking one of the largest long-term offtake deals globally.

Reliance Industries, India's largest private-sector company, has entered into a binding long-term supply and purchase agreement (SPA) with Samsung C&T Corp. of South Korea for the supply of green ammonia over a 15-year period starting in the second half of fiscal 2029.

The agreement, valued at more than $3 billion, is among the largest long-term green ammonia offtake deals globally. It supports the development of export-oriented green fuel supply chains aligned with India's National Green Hydrogen Mission.

Reliance Industries is developing an integrated new energy platform spanning renewable generation, energy storage, green hydrogen, and downstream fuels and chemicals.

The platform includes in-house manufacturing of solar modules, battery energy storage systems (BESS), and electrolyzer systems.

Syntax Mart Achieves Prestigious LEED Platinum Certification

Syntax Mart, a sister concern of Syntax Group, has achieved the prestigious Leadership in Energy and Environmental Design (LEED) Platinum certification, scoring an impressive 90 points.

LEED is a green building certification program used worldwide.

The certification recognizes the company's commitment to sustainable development, efficient use of electricity, gas and water, and the creation of environmentally friendly working conditions.

The certificate was formally presented at a ceremony held at Syntax Group's corporate office. Reaz-ul Islam Sharear, managing director of Syntax Group, received the certificate on behalf of the organization.

Speaking at the event, he said the achievement goes beyond a certification and strengthens the company's sustainability vision.

Pakistan's Solar Boom is Bigger Than Official Data Shows

Pakistan's Renewables First has explored the implications of a lack of official data collection from the country's distributed solar market segment, which is estimated to have reached over 24 GW of installed capacity by the middle of last year.

Pakistan's energy transition is being mismeasured due to uncounted distributed solar deployments, in turn leading to continued dependency on fossil fuels, according to research from Islamabad-based think tank Renewables First.

The policy paper Electrons In, Hydrocarbons Out: Pakistan's Quest for Economic and Resource Efficiency found that up to $120 billion in future fuel imports could be avoided over the lifetime of the 48 GW of solar modules Pakistan had imported as of June 2025.

The study's co-author, Nabiya Imran, told pv magazine that with solar module imports into Pakistan now totaling 51.5 GW, around $180 billion in fossil fuel imports could be avoided. Imran added these solar imports could generate a total 1,730 TWh over their lifetime.

Green page

India's PV Module Manufacturing Capacity Tops 210 GW

India added 119 GW of solar module capacity and over 9 GW of cell capacity in 2025, bringing total capacities to about 210 GW and 27 GW, respectively, according to Mercom India.

Growth was driven by strong project demand and policy support, although supply-demand alignment is expected later in 2026 as domestic cell production ramps up.

India added 119 GW of solar module manufacturing capacity and more than 9 GW of cell capacity in 2025, according to a new report released by Mercom India.

The report attributes the capacity additions to strong demand from India's utility-scale solar pipeline, residential rooftop targets under the PM Surya Ghar program, and the domestic cell mandate under the Approved List of Models and Manufacturers (ALMM) List II.

Turkish Environment Minister Holds COP31 Talks with UN Chief

Türkiye's Environment, Urbanization and Climate Change Minister Murat Kurum held a pivotal meeting with U.N. Secretary-General Antonio Guterres in New York, spearheading high-level diplomatic efforts for the International Day of Zero Waste while solidifying Türkiye's climate leadership ahead of the COP31 summit.

Kurum, who will preside over COP31, met separately with Guterres, U.N. Development Programme (UNDP) Administrator Alexander De Croo and U.N. Environment Programme (UNEP) Executive Director Inger Andersen, following an earlier roundtable with non-governmental organizations.

In talks with Guterres at U.N. headquarters, Kurum said discussions focused on some of the most pressing global challenges, including the deepening climate crisis, energy security concerns, and the protection of vulnerable populations disproportionately affected by environmental degradation.

He noted that the meeting also addressed key enablers of climate action such as climate finance, technology transfer and capacity building, alongside the promotion of circular economy practices.

India Unveils New UN Climate Target

Following months of anticipation, the Union Cabinet has approved the country's new Nationally Determined Contribution (NDC) for the period 2031-2035, committing to enhanced climate ambition under the United Nations Framework Convention on Climate Change and the Paris Agreement.

Building on previous NDC targets, the latest NDC goals commit the following:

- Reduce emissions intensity: Target 47 percent reduction in emissions intensity of GDP by 2035 compared to 2005 levels
- Expand non-fossil power capacity: Achieve 60 percent of cumulative installed electricity capacity from non-fossil sources by 2035
- Enhance carbon sink: Create 3.5-4 billion tonnes of CO2 equivalent carbon sink through forest and tree cover by 2035 from 2005 level

The new NDC (2031-2035) enhances the climate pledges set in India's first NDC (2015), which were further revised and updated in 2021-2022.

Govt to Plant 250m Trees in Five Years: Mintoo

The Minister of Environment, Forest and Climate Change, Abdul Awal Mintoo, has announced that the government will plant 250 million trees across the country over the next five years as part of a national environmental initiative.

Speaking as the chief guest at a discussion marking World Wildlife Day 2026 at the Forest Building in Agargaon, Dhaka, on March 11, the minister said that Prime Minister Tarique Rahman has introduced a five-point programme called the "National Green Mission" to protect forests, wildlife, and biodiversity. The tree plantation program will be implemented nationwide on a priority basis under this mission. The event's theme this year was "Conservation of Medicinal and Aromatic Plants: Improving Health, Heritage, and Livelihoods."

The minister also stated that, according to the government's election manifesto, around 20,000 kilometers of rivers and canals will be excavated and re-excavated across the country to help protect aquatic biodiversity and maintain ecological balance.

UN Approves First Carbon Credits

The United Nations announced recently the approval of the first carbon credits. These credits will be used in a global market aimed at reducing emissions.

The UN-run market was made under the Paris climate accord. It allows companies and countries to cancel out their extra emissions. They can do this by paying for projects that lower greenhouse gases.

But critics worry this carbon credit market is a way for governments and companies to pretend they care about the environment while still releasing emissions. This could hurt efforts to stop global warming.

The first credits issued in the new carbon market involve a project in Myanmar. A South Korean company helped start this programme. The credits created will count towards the climate targets of South Korea and Myanmar.

The project gives people cookstoves that burn wood efficiently. The stoves burn less wood and release less smoke when cooking.

Brazil Climate Plan Falls Short on Fossil Fuel Phaseout

In response to Brazil unveiling its updated national climate plan, 350.org welcomed progress on tackling deforestation but warned the plan falls short of the urgent action needed to phase out fossil fuels and tackle the growing fuel crisis engulfing Brazil.

The new plan, the first update since 2008, sets out Brazil's pathway to cut emissions by up to 67% by 2035 and reach net zero by 2050, with a continued focus on ending deforestation, a major driver of emissions in the Amazon.

However, campaigners say the plan lacks the ambition needed to rapidly transition away from oil, gas and coal, particularly as Brazil remains one of the world's top emitters.

Kent Awarded FEED for Prinos CO2 Handling Site Offshore Greece

Kent has been awarded the FEED contract for the Prinos CO2 storage project in Northern Greece.

Energean subsidiary EnEarth has asked Kent to perform front-end engineering design (FEED) for the Prinos CO2 storage project offshore northern Greece. Kent's scope related to the planned CO2 handling and storage facility, which will receive, store, transport and inject CO2 into the Prinos aquifer beneath the existing reservoir.

The project is said to be the first of its type in the Mediterranean Sea to secure an environmental permit and a storage permit.

UN Warns of Long-Term Climate Damage as 2025 Hits Record Heat Levels

The world experienced record levels of heat in 2025, with impacts expected to last for thousands of years, the United Nations has warned.

According to the latest "State of the Global Climate" report by the World Meteorological Organization, the 11 hottest years on record have all occurred between 2015 and 2025, highlighting the accelerating pace of global warming.

The report found that 2025 was among the top three hottest years ever recorded, with global temperatures about 1.43°C above pre-industrial levels (1850–1900 average).

UN Secretary-General Antonio Guterres described the situation as a "climate emergency," warning that "every key climate indicator is flashing red."

For the first time, the report included data on Earth's energy imbalance—the difference between incoming solar energy and outgoing heat.

Climate 'Emergency' Threatens to Deepen Energy, Humanitarian Crisis

350.org responded to the World Meteorological Organization's (WMO) latest report, which sounds the alarm on a global climate "state of emergency," saying that the crisis will worsen the humanitarian toll of soaring oil and gas prices driven by the Iran war.

350.org urged countries to protect their citizens from climate harm and rising costs, and to urgently start transitioning their economies away from fossil fuels.

The WMO's State of the Global Climate 2025 pronounced 2015-2025 as the hottest 11 years on record, warning that weather has become more extreme on a day-to-day basis, impacting millions of people and causing billions in economic losses.

The report also said that the increase in the annual carbon dioxide concentration in 2024 was the largest annual increase recorded, driven by continued fossil fuel emissions.

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Decision To Keep Fuel Prices Unchanged Is Not Appropriate

Mamun Rashid

I do not think the decision to keep domestic fuel prices unchanged, despite rising global prices, is appropriate. The government should reassess and adjust prices from April 1 as per the existing mechanism. While the full cost increase may not need to be passed on to consumers for diesel and kerosene, petrol and octane prices should reflect the full adjustment. Otherwise, how will the losses be financed?

Keeping fuel prices unchanged despite mounting losses is becoming increasingly difficult to justify. The government is reportedly losing around Tk 167 crore per day from fuel sales, reversing what had once been a profitable position. With more than 35 years of experience financing power and energy sector entities at home and abroad, this kind of prolonged loss is unlikely to be sustainable. Without timely price adjustments, the burden on the broader economy will only grow heavier.

Mamun Rashid, chairman of Financial Excellence Limited, shared this view in an interview with Energy & Power Editor Mollah Amzad Hossain. He suggested that while some limited subsidy on diesel may still be necessary, the higher costs of petrol and octane should be passed on to consumers to ease the fiscal pressure.

Bangladesh's dependence on imported power and energy has reached 56% and continues to rise. Last year, the country spent around $20 billion on energy imports and related debt servicing. This year, it was expected to rise to $24 billion, but the Middle East war has disrupted everything. How severe could the crisis become for Bangladesh, and what should be done to keep it manageable?

Due to high import dependence, Bangladesh is under significant pressure. Because of the war, energy import costs could increase by $4–5 billion or more. Under these circumstances, there is no room to keep domestic fuel prices unchanged. While diesel prices may not be fully adjusted due to reasons acceptable, there is no alternative but to adjust prices for petrol, octane, and other fuels.

Another major challenge is ensuring a sufficient supply of fuel and LNG. Bangladesh imports about 1.5 million tonnes of crude oil annually, mainly from Saudi Arabia and partly from the UAE, but those supplies are now disrupted. Alternative sources must be explored to keep the Eastern Refinery operational, though constrained by limited capacity.

However, more than 70% of refined fuel, especially diesel, is imported from the Far East and Asian countries. Efforts should be made to increase supply from these sources.

About 75% of Bangladesh's LNG imports depend on Qatar, which is now largely disrupted. Therefore, alongside the spot market, Bangladesh should initiate long-term LNG purchase negotiations with the United States and may be few others.

In the long run, the responsibility for fuel import and distribution should gradually be handed over to the private sector, allowing them to ensure supply based on global market prices.

Most importantly, to reduce import dependence, foreign investment in oil and gas exploration should also be accelerated. Political decisions should also be taken immediately to explore, extract, and utilize domestic coal.

Following the US-Israel attack on Iran and the spread of war in the Middle East, Bangladesh experienced fuel shortages within the first week. The government introduced rationing but later withdrew it. Despite various measures, the crisis persists, with people waiting hours in queues at fuel stations. Diesel shortages are affecting irrigation and transport. The government claims there is no fuel crisis—why are people not convinced?

After the war began, public panic about fuel shortages spread quickly. Media reports on limited reserves also contributed to this, and the government's rationing decision further intensified the situation. That was a mistake, and it is good that it was withdrawn.

Additionally, key positions in fuel import and distribution organizations were filled by individuals appointed during the interim government. They may be honest, but their efficiency was questionable. The current political leadership is mostly relying on them to manage supply and distribution, which may fail to ensure effective results.

Although the government claims there is no shortage, people are not convinced because the system

(including communication) has failed to demonstrate that effectively. As a result, queues at fuel stations continue to grow longer.

One month into the war, around 40 energy facilities in nine Middle Eastern countries have been damaged. The Strait of Hormuz is closed, and now the Houthis have joined the conflict, raising concerns about disruptions at Bab El-Mandeb. This could disrupt up to 32% of global energy transportation. What is your view?

It is uncertain when the war will end, how long its effects will last, or how quickly damaged energy infrastructure can return to full operation. But our energy needs will remain, if not further increase.

Therefore, there is no alternative to finding new sources. Bangladesh should start negotiations with countries like the United States, Australia, Vietnam, and Indonesia for LNG.

At the same time, Bangladesh already imports refined fuel from Malaysia, Indonesia, Singapore, and India (also some from the Philippines in the past). Efforts should be made to increase supply from these countries. Discussions could also be initiated with China.

For crude oil, Bangladesh must look beyond the Middle East and identify alternative suppliers. Since the duration and long-term impact of the crisis are uncertain, diversifying supply sources is essential.

The government has said it will not raise fuel prices for now. The state minister for Energy has stated that the government is losing Tk 167 crore per day from fuel sales—about Tk 5,010 crore per month. According to the pricing formula, fuel prices were supposed to be adjusted from April 1. How justified is the decision not to increase prices?

I do not think the decision to keep domestic fuel prices unchanged, despite rising global prices, is appropriate. The government should reassess and adjust prices from April 1 as per the existing mechanism. While the full cost increase may not need to be passed on to consumers for diesel and kerosene, petrol and octane prices should reflect the full adjustment.

Otherwise, how will the losses be financed? The Bangladesh Petroleum Corporation has made profits of around Tk 20,000 crore over the past few years, but if prices are not adjusted, it could fall into losses within 4–5 months. At the same time, the government's ability to provide subsidies is limited, especially with a revenue shortfall of about Tk 60,000 crore in the first eight months of the current fiscal year.

Moreover, adjusting fuel prices is also tied to conditions set by the International Monetary Fund for loan disbursements. While such adjustments may temporarily increase inflation, they are necessary for long-term economic management.

The government is trying to secure $2 billion in loans from development partners to cover higher fuel import costs. Can borrowing alone manage the price shock?

The Asian Development Bank has announced financial support for member countries to cope with energy price volatility caused by the Middle East conflict. However, I don't think similar support will be readily available from the World Bank or the IMF specifically for fuel imports, other than budgetary support.

The key question is whether loans should be used only for energy imports. Bangladesh also needs budgetary support in other sectors. Therefore, increasing domestic revenue collection is essential—there is no alternative.

Bangladesh imports 30–35% of its gas as LNG, with about 75% coming from Qatar. Due to attacks on Ras Laffan, LNG facilities there have shut down, and supply contracts have been suspended under force majeure. What should be done?

Relying on a single source for LNG—especially under long-term contracts—was a flawed strategy. Even deals with Oman and Excelerate Energy are ultimately linked to the Qatari supply.

During the interim government period, a long-term LNG contract with Summit Group was canceled. If their supply source is outside Qatar, the current government should reconsider that agreement.

Also, negotiations for importing RLNG via pipeline from India were previously suspended. The government could restart talks with India's H-Energy and Bangladesh's Saudi-Bangla Pipeline Company to diversify supply sources and strengthen energy security.

Countries like Japan are increasing coal use due to high oil and LNG prices. What should Bangladesh do? Should it move toward domestic coal extraction?

For Bangladesh, ensuring a reliable energy supply is critical for both services and industrial growth. With ambitious employment targets, energy security becomes even more important.

At this stage, Bangladesh cannot afford to prioritize the debate between clean and "dirty" energy over supply security. A political decision should be taken immediately to explore, extract, and utilize domestic coal. Experts can then determine the most environmentally sustainable and economically viable methods for extraction.

What steps should Bangladesh take to quickly attract foreign investment for gas exploration?

Bangladesh is one of the least explored countries in the region in terms of oil and gas. We need a wartime-level approach for exploration.

Relying solely on Petrobangla and BAPEX is not enough. To accelerate investment, the government can adopt a government-to-government (G2G) approach.

Alternatively, it should quickly finalize a new strategy, negotiate with international oil and gas companies, and sign production sharing contracts (PSCs). Exploration drilling should begin within a year. Otherwise, the country's energy crisis will deepen further. EP

FUEL CRISIS: ANSWER LIES WITH EFFICIENT MANAGEMENT

Reverse Swing

Farid Hossain

"Hartal was observed and hartal wasn't observed," late eminent journalist Nirmal sen wrote in Dainik Bangla newspaper after a day of hartal (general strike) called by the opposition parties against the rule of General Hussain Muhammad Ershad in late 80s. This iconic sentence had nicely reflected the contrasting claims of the government and the opposition parties in regard to the hartals, then a frequently used weapon of the political opposition.

Fast forward to 2026. Today the country, among many other issues, is facing a fuel crisis caused by US-Israel war on Iran. There is no shortage of fuel, the government insists. But for about a month the filling stations have been witnessing long queues of motorists for fuel. For many the wait goes beyond six to seven hours. In search of fuel the motorists go from one pump to another. There is hardly anyone who gets the fuel in one go. There have been instances of not failing to refill the tanks after reaching the pump following hours of wait in lines. Many, especially the drivers working for owners, are becoming sleep-deprived as they hop from one pump to another. Not only vehicles. Fishing boats, speed boats used for transporting river commuters and irrigation pumps are being pinched by the fuel crunch.

The issue has made to the parliament. In response to complaints raised by some opposition MPs Energy Minister Iqbal Hasan Mahmud Tuku reaffirmed on Monday there is no shortage of fuel in the country. He dismissed the long queues as the outcome of an artificial crisis caused by panic buying and hoarding of the fuel by dishonest traders. A campaign against hoarding has resulted in the discovery of thousands of tonnes of diesel, petroleum and octane in parts of the country. Hefty fines are being collected from the erring traders. Authorities have even announced reward up to Tk one lakh for information about the hoarding.

In defense of the government's claim the state-run Bangladesh Petroleum Corporation says it has stock of 1.33 lakh tonnes of diesel following disbursement of supplies on March 29, a reserve enough for 10 days given current demand. According to Prothom Alo newspaper the authorities are estimated the April demand for diesel at about 4 lakh tonnes. Good news is 95,000 tonnes of diesel are expected to arrive in the country in next 15 days.

There have though been some supply chain disruptions. As many as 16 ships were supposed to arrive in March, but only 10 of then reached Bangladesh with the remaining others failing to confirm their arrival. Up to 1 lakh 55 thousand tonnes of diesel was expected. One of the ships was expected to carry jet fuel too, said the newspaper quoting government authorities.

Bangladesh imports two types of fuel: diesel, octane, furnace oil as refined from different countries. Crude oil is imported from Saudi Arabia and the UAE. The crude is refined in the country's only state-run refinery, Eastern Refinery Limited to produce diesel, petrol and furnace oil. ERL produces 60,000 tons of diesel a month. Currently, ERL has useable reserve of 26,000 tons- enough for six to seven days, according to Prothom Alo's March 31 issue.

There is no possibility of shortage in supply of petrol and octane. During the last financial year, the country consumed 4 lakh 15 thousand tons of octane, 50 percent of them locally produced, and 50 percent imported. Last month there had been additional use of octane compared with the same period last year. In April the demand of octane is estimated at 37,000 tons - 30,000 tons will be available locally. There should not be a problem of petrol given the shipments arrive in time.

In today's situation success lies not only in keeping enough reserves, but also in efficient management and proper distribution. EP

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ENERGY & POWER FORTNIGHTLY MAGAZINE, REGD. NO. DA. 3048, VOL 23, ISSUE 20, APRIL 1-15, 2026, PRICE TK.100